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Soviet Bid to 'Invigorate' Ties In Asia Shows Limited Gains

By Michael Richardson International Herald Tribune SINGAPORE — Nearly two years of intensified efforts by the Soviet Union to improve relations with non-Communist countries in Southeast Asia have eased distrust of Soviet intentions, according to officials and Western analysts in the region.

Senior officials from Moscow have made more frequent visits to the area, as have Soviet trade, scientific and cultural delegations. Asian officials and businessmen note, however, that Soviet inability to match the United States and Japan in marshaling the large quantities of goods, services, investment, technology and aid wanted by Asia-Pacific countries has limited the diplomatic gains.

Two-way trade with East Asia is only a fraction of the huge flow of commerce between the region and its two main partners, Japan and the United States. A test of Soviet influence will come early next month when ASEAN foreign ministers gather in Bangkok for their annual meeting. One of the things they are to consider is a Soviet request for closer political links with the group.

Japanese Economy Grows at 11% Rate

By Patrick L. Smith International Herald Tribune TOKYO — The Japanese economy expanded at an annual rate of 1.3 percent in the first three months of this year, its fastest pace in more than a decade, the government reported Thursday.

The increase represented the fourth consecutive quarter of accelerated growth in an economy that midway through a transition away from dependence on exports toward domestic sources of demand.

An encouraging sign that Japan would keep its commitment to sustain demand in order to reduce imbalances in its external trade. The economy expanded by 2.7 percent from the previous quarter in inflation-adjusted terms, the government's Economic Planning Agency said.

The unexpectedly strong performance pushed growth for fiscal 1987, which ended March 31, to 4.9 percent, almost one-third higher than the official forecast for expansion in gross national product. GNP measures the total value of a nation's goods and services, including income from foreign investments.

When annualized at 11.3 percent, these figures represent Japan's fastest expansion since the first quarter of 1977. "We're not out of the woods yet, but the kind of results we're seeing from Japan is getting us there," said Eric Rasmussen, the Tokyo economist for Jardine Fleming (Securities) Ltd.

Soviet officials said Moscow was seeking the same right to hold talks with ASEAN. U.S. diplomats said that the more active Soviet policy in East Asia was motivated by a desire for closer involvement with the dy-

Kiosk

N.Y. Stocks, Bonds Plunge

NEW YORK (AP) — Prices on the New York Stock Exchange tumbled Thursday, mirroring a plunge in bond prices and erasing gains that had put the Dow Jones industrial average at a post-October closing high.

Mecham Acquitted

PHOENIX, Arizona (AP) — A jury acquitted former Governor Evan Mecham and his brother, Willard, of six charges Thursday that they concealed a \$350,000 loan to his 1986 campaign.



Clayton K. Yeutter, the U.S. trade representative, says the drought might lead Washington to reconsider farm export aid. Page 17.

General News

Pentagon procurement officials of all four military services are the focus of a bribery inquiry. Page 2.

Business/Finance

GATT will appoint a dispute panel to investigate the European Community's farm subsidies. Page 17.

Table with exchange rates: Dow Jones, The Dollar in New York, etc.



STUDYING DEBRIS FROM ULSTER BOMB — Forensic experts in Lisburn, Northern Ireland, examining the rubble Thursday of a van in which six British soldiers were killed when an Irish Republican Army bomb exploded Wednesday. Page 8.

Gorbachev Enlists Church in Campaign

By Serge Schmemmann New York Times Service KIEV, U.S.S.R. — Summoning a rousing crescendo, the male choir filled the soaring vaults of St. Vladimir's Cathedral here with the special hymn of the Russian Orthodox millennium: "Sacred Rus, safeguard the Orthodox faith, for in it is your affirmation!"

Transmitted by loudspeakers to the crowds on Taras Shevchenko Boulevard, the appeal seemed to have a special potency in the city where 1,000 years ago a feudal pagan subject into the Dnieper River for a mass baptism into Christianity.

That act came to shape the East-Slavic tribes into a nation and eventually a state. It also created a cultural, spiritual and national force that has been both a slavish supporter and the bane of Russian and Soviet leaders, one they have sought alternately to co-opt and to suppress.

to challenge his adversaries' claim to Russian nationalism and to seize for his leadership the mantle of Russian history.

NEWS ANALYSIS mation of a new degree of tolerance for the church is very much in that tradition. His immediate reasons include opening another front in his campaign to liberalize Soviet society and gaining the support of an institution that claims the allegiance of 50 million Soviets.

In the broader context of the struggle the Soviet leader is waging for the hearts and minds of the Soviet people, the enlistment to his camp of the church seems intended

transcends the politics and travails of the daily grind. Questionable as his behavior has been, the hierarchs in many ways represent the age-old talent of the Russians to bend and dissemble, but to tenaciously safeguard what intellectuals have dubbed their "soul." It is a tenacity expressed in the verse of the millennial hymn.

It was the other-worldly magnificence of the church that first drew Prince Vladimir to the Byzantine religion, when his awed emissaries returned and reported. "We knew

Thatcher Takes Aim at U.K. Soccer Hooligans

By Karen DeYoung Washington Post Service LONDON — The British government, under pressure to take tough action against hooligan soccer fans whom Prime Minister Margaret Thatcher called "a disgrace to civilized society," outlined a five-point program on Thursday to crack down on them at home and abroad.

In another development, the British Football Association withdrew its application for English clubs to be readmitted to European play this year.

The moves came after five days of street clashes in West Germany between British and other European fans.

at Heysel Stadium in Brussels during a game between leading local teams from England and Italy.

"After what has happened, common sense tells us we can forget all about a reform," said Bert Millichip, the chairman of the governing body that is responsible for the 92 professional teams in the English and Welsh league, and oversees all international British play.

The only official defense of British fans on Thursday came from the police in Düsseldorf, the site of the violence on Tuesday and Wednesday. The Düsseldorf police chief, Hans Lischen, said that "the Germans started it" and that the troublemakers were a minority among the British fans.

The disturbances this week came during an elimination competition, being held in eight West German cities, among national teams for the European Championship. There were riots in Stuttgart over the weekend, when England lost 1-0 to the Irish national team.

On Tuesday in Düsseldorf, the next venue for the English team, there were street battles between English and West German fans. Other, less violent clashes occurred Wednesday night, after England was defeated 3-1 by the Netherlands, and eliminated from the championship.

Included in the five-point program, now up for further discussion and possible legislation this fall, are restrictions on overseas travel by known hooligans; the nationwide issuance of club membership cards that will restrict local game attendance to home team supporters; changes in British liquor licensing laws for establishments near stadiums and stepped up intelligence cooperation with other European police forces.

After a meeting with Mrs. Thatcher and other cabinet ministers on Thursday morning, Home Secretary Douglas Hurd said that the government was also considering whether the English national team should be prohibited from taking part in international competition.

Professional British teams were banned from European play by the European Football Union three years ago, after 39 people were crushed to death in a riot, for which British fans were held responsible.

The restructuring is aimed in part at fending off an attempt by the corporate raider Carl C. Icahn to gain effective control of the company. Mr. Icahn owns about 14.8 percent of the company's stock and is its biggest shareholder.

Kennedy Cheers Dukakis, Massachusetts' Son for This Time



Edward M. Kennedy, left, with Michael S. Dukakis during the campaign.

By E.J. Dionne Jr. New York Times Service WASHINGTON — Once upon a time, only one Democrat from Massachusetts was supposed to aspire to the presidency, and his name was always Kennedy.

This time, Senator Edward M. Kennedy is at the sidelines cheering on another son of Massachusetts, and that seems strange to a lot of state politicians. The words "President Kennedy" roll naturally off the tongue. But "President Dukakis?"

Even Mr. Kennedy is said by friends to have laughed at that idea when it was first proposed. He denies this, and has loyally stumped the country for the Massachusetts governor, reciprocating the support that Michael S. Dukakis gave Mr. Kennedy's unsuccessful presidential campaign in 1980.

asked one influential state Democrat. "It's like the first-string quarterback sitting on the bench and watching the second-string quarterback win the game." Mr. Kennedy says he does not see it that way. He serenely paid tribute Wednesday to Mr. Dukakis, the man who sounds far more moderate than Mr. Kennedy and inspires neither the love nor the hostility that Mr. Kennedy can engender.

For that very reason, he suggested, Mr. Dukakis just may be the better candidate for this time in the country's life. "In terms of the mood and the atmosphere of this time, he fits in, I think superbly," Mr. Kennedy said. "He offers change, the possibilities of change, without setting off rockets and lightning rods."

Administration Cites Alarm at Size of Probe In Pentagon Fraud Case

Continued from Page 1

WASHINGTON — The administration and members of Congress cited alarm Thursday with a massive Pentagon fraud investigation after learning that more than 100 subpoenas had been served in the case involving all four military services and some of the nation's leading military contractors.

One search warrant made public Thursday showed that the U.S. Navy's former procurement chief obtained classified Pentagon data to help sell his company's fighter planes.

"I think we're all aware of the wide scope of this investigation," the chief White House spokesman, Martin Fitzwater said, "and it certainly poses an internal security problem and an abuse problem of dimensions that have to be dealt with forthrightly."

The grand jury subpoenas, issued over the past two days, were in addition to the nationwide searches conducted by federal agents on Tuesday at defense contractors across the country and at the Pentagon.

Senator John W. Warner of Virginia, the ranking Republican member of the Armed Services Committee, said the investigation had turned up "trampant bribery in the government." He said it included allegations of cash payments, purchase of cars and payments of bills for government employees.

His comment came as a Justice Department search warrant served on McDonnell Douglas Corp. revealed the first details in the investigation. It alleged that Melvyn R. Paisley, a company consultant who was formerly the U.S. Navy's procurement chief, obtained classified or secret Pentagon data to help sell the company's fighter planes.

Mr. Paisley, who left his navy post a year ago, is reported to be a central figure in the investigation over alleged payments of bribes and kickbacks to government officials who leaked inside contract information.

President Ronald Reagan, taking a rare active role in an ongoing federal investigation, told top law enforcement officials Thursday to move "as rapidly as possible" to get the facts in.

Federal investigators armed with evidence from two years of wiretaps and from this week's coast-to-coast raids are preparing to approach witnesses, who now may be forced to cooperate in the investigation.

Government sources said that searches of offices of 15 defense contractors on Tuesday stemmed from wiretaps on the offices of two top Pentagon officials.

According to law enforcement officials, agents of the FBI and the Naval Investigative Service are reviewing the actions of procurement officials in all four military services, and of some of the nation's largest military contractors.

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THAI AND VIETNAMESE OFFICIALS MEET — Foreign Minister Siddhi Savetsila of Thailand, right, greeting Foreign Minister Nguyen Co Thach of Vietnam on Thursday in Bangkok. Their discussions were to focus on achieving peace in Cambodia.

At AIDS Meeting, News Was Mostly Bad

By Michael Specter
Washington Post Service

STOCKHOLM — As scientists learn more about the AIDS epidemic, even the most optimistic among them find it difficult to continue talking about finding a "cure" for the disease.

Instead, the rapid technological advances of the past year, reported at the fourth international conference on AIDS in Stockholm, have led mostly to bad news.

Researchers at the meeting, which ended Thursday, heard that the AIDS virus, or HIV, hides longer in the body than they had suspected, that it can send special chemical signals to protect itself and that it infects different types of cells in completely different ways.

Strongly confirmed were studies, first presented at the AIDS conference last year in Washington, showing that other venereal diseases increase a person's susceptibility to HIV infection.

Vaccine trials, while moving forward on several fronts, will take years to bring success, even under the best circumstances.

Although dozens of promising drugs are now under development or in early testing stages, none have been approved for use during the past year.

As was the case at the end of the Washington meeting, only one drug, AZT, has been proven in prolonging the lives of people with the fatal disease. Studies have not yet determined whether the drug also can prevent infected people from getting sick.

"We've already finished all the easy work," said Dr. Robert C. Gallo of the National Cancer Institute, a leading AIDS expert. "The rest will come a little bit at a time."

Dr. Gallo reported at the Stockholm meeting that a newly discovered human herpes virus can infect cells along with HIV, and that they appear to kill some immune system cells in the same way.

While he and others have concluded that HIV by itself produces a degenerative disease that eventually kills whomever it infects, the new virus may facilitate the rapid progression of the disease.

The conference was not entirely devoid of good news. As physicians learn more about the illnesses that are caused by HIV infection, they have become far more sophisticated in learning how to treat them.

Five years ago, patients with the most common AIDS-related illness, pneumocystis pneumonia, routinely died. A series of drugs administered in anticipation of the spread of the virus in the past year made them much less likely to strike AIDS patients, according to studies presented this week.

Genetic research on mice has helped develop the first small animal model of acquired immune deficiency syndrome. This eventually should enable scientists to test theories much more quickly and accurately than they could in a test tube, experts said this week.

Molecular biologists and virologists also have had much success in the past year. William R. Haseltine and his colleagues at the Dana Farber Cancer Institute in Boston, as well as other groups, appear to have discovered a new gene in the AIDS virus that produces a special protein that makes the virus grow more slowly.

That and other discoveries may help researchers design drugs to fight the infection in the body.

With more than five million people infected throughout the world, according to the World Health Organization, public health officials at the meeting seemed to agree that more emphasis has been placed on education and prevention of the spread of the virus in the past year than ever before.

Probably the most striking presentations of the conference were those that depicted the sophistication of new genetic tests at detecting the virus early in the course of infection. Those tests may make it much easier to understand how the "virus works" inside the body.

"That's the news out of this conference," said Dr. Harold Jaffe, head of AIDS epidemiology at the Centers for Disease Control in Atlanta. "Evidence keeps suggesting this virus is more complex than we thought. Over time, those tests will give us a far better picture of the epidemic than we have now."

This AIDS conference in no way resembled the last one. Whereas the Washington meeting was dominated by politics and demonstrations, this gathering was a vast and meticulously organized meeting.

Although there was no protest, reminders of the suffering the disease has caused were never far out of sight.

Among the many posters displayed daily, with subjects ranging from psychiatric aspects of AIDS to the relationship between aerobic exercise and progression of disease, one stood out.

Picturing women with heart-breaking smiles, the poster was entitled: "How to say goodbye to your children — A support group for mothers."

27 Die in Indian Bus Crash
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The Toronto meeting brings together leaders of Britain, Canada, France, Italy, Japan, the United States and West Germany.

The diplomat gave no details of the intelligence reports that revealed the planned attacks, but said the arrest of Mr. Senui, 51, on June 7 by Japanese and Filipino intelligence agents had thwarted the plan. Mr. Senui was later deported to Japan.

The Red Army, formed in 1969, is an extreme leftist organization that carried out a number of operations in the 1970s, including an attack on Israel's Lod airport in 1972 in which 27 people were killed and 76 injured.

At the 1986 seven-nation economic summit meeting in Tokyo, Japanese radicals fired five rockets over the site just before President Ronald Reagan was due to arrive.

The Japanese police think that attack was carried out by the Chu-koku-ho (Core Faction), the biggest of more than 20 ultraleftist Japanese groups.

In 1977 Mr. Senui, a convicted murderer, was freed by Japan in exchange for 156 hostages held by the Japanese Red Army after members of the group hijacked a Japanese airliner in Bangladesh.

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WORLD BRIEFS

U.S. Juice Fraud Brings Jail Terms

NEW YORK (AP) — Two former top executives of Beech-Nut Nutritional Corp., the second largest baby-food manufacturer in the United States, were each sentenced Thursday to a year and a day in jail and fined \$100,000 for distributing phony apple juice for babies.

"The fraud was too extensive and involved not to be punished," said U.S. District Judge Thomas Platt, sentencing Neils Hoyvold, 54, the former president of the company. He imposed the same sentence on John Lavery, 56, a former vice president.

The executives, with Beech-Nut and two suppliers, were charged with intentionally shipping adulterated juice to U.S. destinations and overseas between 1978 and 1982. The product, labeled 100 percent apple juice for babies, was actually made from a flavored concentrate that contained little or no apple juice, prosecutors said.

Party Leader Is Replaced in Estonia

MOSCOW (AP) — Karl G. Vaino, the Communist Party chief in the Republic of Estonia for almost a decade, was relieved Thursday of his duties and replaced by the Soviet ambassador to Nicaragua, Tass reported.

Mr. Vaino, 65, had been the party leader in Estonia since July 1978 and under his leadership the republic became a testing ground for many of Mikhail S. Gorbachev's economic reform policies. But Mr. Vaino's leadership was subjected to strong criticism at a meeting in April of Estonian writers, filmmakers and other cultural figures, who criticized ecological problems, corruption and the functioning of the Estonian government.

He was replaced by Vaino I. Vyalysa, 57, the ambassador to Nicaragua the news agency reported. Mr. Vyalysa previously had served as one of the secretaries of the Estonian party.

Seoul Judge Quits After Reform Calls

SEOUL (AP) — Aides to the chief justice of South Korea's Supreme Court said Thursday that he would resign. At the same time, 279 judge called for a judicial system that would protect basic rights and be independent of the executive branch.

The aides said Chief Justice Kim Yong Chul would formally offer his resignation on Friday to President Roh Tae Woo. Opposition parties had called for a new chief justice to reform the "corrupted" judiciary.

It was the first time in modern Korean history that judges staged collective protest to support reforms. Their action came as the government ment debated the makeup of the Supreme Court to be formed according to a new constitution written after widespread public protests last year.

Vatican Asks Prelate to Avoid Schism

VATICAN CITY (Reuters) — The Vatican made a "pressing appeal" to Archbishop Marcel Lefebvre on Thursday to give up his plan to ordain bishops without papal approval, a move that would cause a schism in the Roman Catholic Church.

The appeal came in documents on the Lefebvre case made public a day after the suspended prelate, 82, announced he would ordain four bishops June 30 for his ultra-traditionalist Priestly Fraternity of Saint Pius X. A Vatican statement asked the archbishop and associates to "rethink their position and remain united" with Pope John Paul II. It added that the break did not occur, the Vatican would guarantee the conservative identity and their full communion with the Roman Catholic Church.

12 Killed in Beirut Refugee Districts

BEIRUT (AP) — Mortars and rockets killed 12 people and injured 27 Thursday as rival Palestinian groups fought for control of two refugee districts in Beirut.

The police said the new casualties brought the toll to 31 killed and 17 wounded since the latest clashes over the Chania and Buji al-Brajne refugee districts broke out last week.

The Fatah group of Yasser Arafat's mainstream Palestine Liberation Organization accused the Syrian-backed breakaway faction, al-Fatah Uprising, of indiscriminate shelling. A spokesman for Mr. Arafat's group said the dissidents were shelling both refugee districts from the outside.

For the Record

President Corason C. Aquino of the Philippines began an official visit to Italy and the Vatican on Thursday, the high point of which is expected to be a private audience with Pope John Paul II. (Reuters)

TRAVEL UPDATE

4-Hour Strike Set at Paris Airports
PARIS (AFP) — All Paris airport unions have called a four-hour strike on Friday at the two main Paris airports, Orly and Charles de Gaulle international airports said Thursday.

The strike is scheduled from 9 A.M. to 1 P.M., although some unions wanted a 24-hour walkout. It is aimed at backing wage and other demands.

Spanish civil-aviation workers have canceled a series of one-hour work stoppages that had been scheduled to begin on Monday. The stoppages were called off after the Civil Aviation Authority promised to improve working conditions and pay scales, the aviation workers union, FES said Thursday in Madrid. (Reuters)

The smelly durian fruit is now barred from Singapore's new subway, Mass Rapid Transit. The fabled fruit is back in season and "no durian signs are up. Violators face a fine equivalent to \$250. "We all know it durian leaves a lingering odor long after they are eaten away, especially in air-conditioned places, and the trains are air-conditioned," said MRT spokesman. (AP)

Guerrilla Wounds an Israeli Soldier Herzog Chides Western Journalists

Jerusalem — An Israeli soldier was shot and slightly wounded in a guerrilla attack on Thursday, and President Chaim Herzog accused Western news organizations of distorted coverage of the six-month Palestinian uprising in the occupied territories.

An army spokesman said the soldier was shot as he rode in a private vehicle in Nablus, the largest Arab city in the West Bank. The army radio reported that the bullet had passed through a rear door, striking the soldier in the back.

The soldier was taken to a hospital and the army declared the area a closed military zone. It detained several residents for questioning after erecting roadblocks in the city that caused traffic jams for hours.

It was only the second gun attack on an Israeli soldier since the beginning of the disturbances, in which at least 217 Palestinians and three Israelis have died. A soldier was killed in Bethlehem in March.

Unconfirmed reports from Palestinian sources said that seven persons were wounded by beatings or rubber bullets as soldiers broke up demonstrations in the Gaza Strip. An army spokesman for Gaza denied the reports.

The Israeli Army, stung by negative publicity, began this week to show soldiers in the occupied territories a training film about how to behave, especially in the presence of television cameras.

Earlier on Thursday, troops of the West Bank fired shots in the area of Arab motorists, delayed a roadblock put up by angry Jewish settlers, began hurling stones, one was injured.

A witness said about 60 Jr. from the Efrat settlement south of Jerusalem blocked the road down to protest stone-throw and gasoline bomb attacks on rashi vehicles.

Efrat officials said there had been 750 incidents of stonings gasoline bomb attacks in the area, and settlers were frustrated that the army had not apprehend the assailants.

In a drive against firebomb attacks, a military court sent four Palestinians to 8 to 10 year prison for throwing such bombs. Troops demolished a house in Hebron from which a firebomb had been hurled, injuring two officers.

West Bank high schools remained shut Thursday, the second day of a two-day military curfew imposed in an attempt to halt turbulence.

2 Guerrillas Killed
Israeli forces ambushed guerrillas near the Syrian border in southern Lebanon before dawn Thursday, touching off a five-hour battle that left two guerrillas dead, two Israeli soldiers wounded, U.S. Press International reported from Beirut.

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Dukakis's Image as a Manager Strained by Budget Deficits

By Allan R. Gold
New York Times Service

BOSTON Growing problems in the Massachusetts budget are raising questions about Governor Michael S. Dukakis's managerial skills as a manager of the state's affairs. The problems are forcing him to consider ways to raise money that will not be viewed as tax increases.

Massachusetts is facing a revenue shortage of at least \$200 million in its proposed \$12 billion budget for the fiscal year starting July 1, the state's once buoyant revenue growth falters. It also confronts a deficit of \$400 million in the year ending June 30. This is being solved through accounting steps.

Other states such as California and New York also have had budget difficulties because of changes

in the federal tax law. But people will be paying closer attention to how Massachusetts deals with its problems because the management skills of Mr. Dukakis, the probable Democratic presidential nominee, will be a campaign issue.

Republicans raise questions as to whether Mr. Dukakis should have anticipated the problems.

Despite the fiscal difficulties, Mr. Dukakis is loath to support tax increases. As a result, he has ruled out broad-based tax rises to help cover the deficit. He has also been hesitant to approve a new 2 percent sales tax on cigarettes, a levy that even the most ferociously anti-tax groups have not opposed.

While discussions about how to cut spending and raise money continue, Dukakis administration spokesmen characterize what is un-

der consideration as "closing loopholes" or "protecting the revenue base."

"Nobody wants to use the 'T' word," said Judith C. Meredith, a human services lobbyist.

Among the ideas being considered to raise revenue are changes in how the state taxes small and big business and higher fees for services like driver's licenses, which could raise \$100 million.

Expansion in many state programs, particularly in human services, is also likely to be slowed or stopped, resulting in a savings of \$130 million.

"We've been on a spending spree during the good years and now that the revenue has started to slow, we find ourselves in an embarrassing and awkward position," said state Senator David H. Locke, the assist-

ant Republican leader who is co-chairman of the George Bush presidential campaign in Massachusetts.

Barbara Anderson, executive director of Citizens for Limited Taxation, said that "incompetent, managerially deprived Mike Dukakis" had benefited from the state's extraordinary revenue growth in the last five years. "He is only a great manager because there was so much money in this state," she asserted.

There is disagreement on this. "We couldn't have anticipated it and we track revenues for a living," said Richard A. Manley, president of the Massachusetts Taxpayers Foundation. The stock market collapse last October further confused the way taxpayers would behave, Mr. Manley said.

Spending under the governor's proposed budgets will have increased 78 percent between 1983 and 1989, a level more than twice the rate of growth of federal spending, said Peter J. Thomas, president of the Foundation for Economic Research, a conservative institute.

From 1983 to 1986, he said, total authorized debt rose by nearly \$4 billion, even though revenue was rising 10 percent annually.

Although there were apparently early indications that a deficit was imminent, Mr. Dukakis did not publicly acknowledge this until well after he had won several important primaries. Spending problems last fall, the governor ordered that \$233 million in spending be deferred.

On April 27, his administration disclosed a revenue shortage of \$77

million, in a budget of nearly \$11 billion, for the year ending June 30.

In ensuing weeks, the deficit estimate jumped to \$250 million, then to \$300 million and how at least to \$400 million, in the wake of a court ruling that the state had raised about \$122 million in questionable corporate tax collections — \$92 million for the fiscal year 1988 and \$30 million for fiscal 1989.

The governor's \$12 billion budget for the year beginning July 1 also was found \$198 million in the red, a figure that has since risen to almost \$230 million, if the \$30 million in questionable tax collections for fiscal 1989 are included.

The state constitution requires the governor to submit a balanced budget but there is no requirement that the year end in balance.

A major factor in contributing to the revenue slowdown has been the change in federal tax policy. For example, the 1986 tax bill generated a capital gains tax windfall for the state in 1987 that did not carry over to this year. In the fiscal year 1988, tax revenue from capital gains withered, helping to create the current deficit.

In addition, the state has repealed more than \$500 million in taxes in recent years, including an income tax surcharge that was enacted during Mr. Dukakis's first term in 1975, when Massachusetts had severe budget problems.

While the extent of the budget problems may have surprised the governor, he has not appeared rattled. "He said to me recently, 'Steady as she goes,'" said state Senator Patricia P. McGovern, a Democrat who is chairman of the Ways and Means Committee.

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Black Democrats in Congress Back Jackson for No. 2 Spot

By Bernard Weinraub
New York Times Service

WASHINGTON — Black Democrats in Congress have endorsed Reverend Jesse L. Jackson as their choice to be their party's vice-presidential candidate, but Mr. Jackson has insisted that he has not made up his mind on whether he would seek the post.

At the same time, Mr. Jackson made it plain Wednesday that he expected his role in the party to expand after the presidential election.

After a meeting with civil rights leaders, Mr. Jackson, 46, said he pressed "long-term relations" not only with those now supporting

him, but with other Democratic officials, delegates and legislators.

He said that he was looking toward elections in 1990, as well as "the census in 1990 and reapportionment in 1991."

He added, "We're developing at the grass-roots level a long-term, progressive agenda."

Following the triumph of Governor Michael S. Dukakis of Massachusetts in gaining enough delegates to win the party's presidential nomination at next month's national convention, Mr. Jackson pressed efforts to make his agenda on social policy part of the Democratic platform.

He also sought to strengthen his

leverage as a potential vice-presidential candidate.

Although most political analysts say it is unlikely Mr. Dukakis will select Mr. Jackson as his running mate, black congressmen said Mr. Dukakis would risk the anger of Mr. Jackson's supporters if their candidate was not selected or taken seriously for the No. 2 position.

"If you have a race with 12 horses and two come in, first and second, then that says something about what the American people want," said Representative Charles B. Rangel, Democrat of New York, after a meeting between members of the Congressional Black Caucus and Mr. Jackson.

Another black Democrat, Representative Louis Stokes of Ohio, was asked if Mr. Jackson's presence on the ticket would hurt Mr. Dukakis.

"In the last 20 years with white candidates on the ticket, and no blacks, Democrats have only held office for four years," he responded.

Leslie Dach, Mr. Dukakis's spokesman, said, "No one has been ruled in and nobody has been ruled out, and this selection process is in its early stages."

Mr. Jackson has indicated, at times, that the vice-presidential nomination should be offered to him. But he has declined to say that he would pursue the job.

Responding to questions after the Wednesday meeting, Mr. Jackson said he had no intention of throwing his support to Mr. Dukakis before the convention. Such former Democratic candidates as Representative Richard A. Gephardt of Missouri, Senator Paul Simon of Illinois and Senator Albert Gore Jr. of Tennessee have either endorsed Mr. Dukakis or announced their intention to do so.

"They lost and surrendered," Mr. Jackson said. "I did not. We're not in the same category. They're surrendering their constituencies because they lost. My constituency continues to grow."



TORNADOES HIT DENVER — A funnel cloud hovers Wednesday over the near east side of Denver, which was hit by at least three tornadoes. In all, five twisters struck in or near the city, blowing vehicles and storage sheds through the air and tearing off roofs. Seven persons suffered minor injuries. The control tower at Stapleton International Airport was evacuated briefly.

A U.S. Judge Reagan Forms a Panel Stalls Prison To Meet Drought Crisis Drug Tests

By Bill McAllister
Washington Post Service

WASHINGTON — The drought gripping the nation's farm belt has become so severe it is certain to boost food prices and has triggered the formation of an inter-agency committee to come up with emergency plans for coping with the crisis, the White House announced Thursday.

President Ronald Reagan ordered representatives of eight agencies to review drought conditions across the country and advise him in two weeks on what the government should do ease the plight of farmers, the chief White House spokesman, Martin Fitzwater, said.

Although Mr. Fitzwater noted that some officials have said the drought may be the worst since the 1930s, administrative officials sought to minimize the impact that higher prices for farm commodities would have on the economy.

Most said that the higher prices consumers were beginning to pay did not signal a serious inflationary problem. "We think it's under control and we think it's going to stay that way," Treasury Secretary James A. Baker 3d said.

Mr. Baker's position was echoed by Wayne D. Angell, a Federal Reserve Board governor, in a speech to the Independent Bankers Association. Mr. Angell said that any rise in crop prices could spur increased production and lead eventually to slower price growth.

Meanwhile, Beryl W. Sprinkle, the chairman of the president's Council of Economic Advisers, predicted that inflation would be about 4 percent this year, down from 4.4 percent last year. However, he acknowledged that the drought was troublesome.

"I do not think it will ruin our strategy of keeping inflation subdued, but it's certainly painful for farmers," Mr. Sprinkle said in an interview with the NBC television network.

Administration officials have said that farmers should pray for rain, and Mr. Fitzwater, who grew up on a Kansas farm, said Thursday that the advice was not factitious.

SAN FRANCISCO — A federal judge on Thursday prohibited the Reagan administration from beginning random drug testing of all 13,000 federal prison employees, saying no justification had been shown for testing "innocent, law-abiding and wholly competent" workers.

Referring to impact on the Bureau of Prisons, the senior U.S. district court judge, Stanley Weigel, said: "The program would force law-abiding employees of the bureau, on two hours' telephone notice, to submit to urinalysis testing even though not suspected of any drug use nor of any wrongdoing, negligence or dereliction of duty."

"There are cases in which compulsory drug testing may be justified in the interest of public safety or security or the like," Judge Weigel said. "This is not one. Rights guaranteed by the Constitution of the United States must not bend to public clamor."

The Bureau of Prisons was to have been one of the first federal agencies to implement drug testing under a September 1986 executive order.

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U.S. Plans to Sell Kuwait 40 F-18s And Hundreds of Air-to-Air Missiles

By David B. Ottaway
Washington Post Service

WASHINGTON — The Reagan administration has informed Congress that it wants to sell Kuwait \$1.9 billion worth of arms, including 40 F-18 fighter-bombers and hundreds of sophisticated missiles or use on the planes.

The proposed deal also includes 80 laser-guided bombs, 200 cluster bombs, 200 Sparrow radar-guided missiles for use against air-air, 120 heat-seeking Sidewinder air-to-air missiles and 300 infrared-guided Maverick air-to-ground missiles. The administration has tried to sell Mavericks to Saudi Arabia but was blocked by opposition in Congress.

In addition, the package includes training, spare parts for F-18s and maintenance equipment. The preflight portion of the package is estimated at \$680 million.

If the entire package is approved, it is likely to become the adminis-

tration's largest arms sale to an Arab country this year. The sale underlines the important new security relationship developing between the United States and Kuwait as a result of the U.S. military aid to the Kuwaitis.

The United States has sold Kuwait A-4 fighter-bombers, as well as Hawk anti-aircraft missiles and an improved version of the Hawk.

The sale would constitute a significant qualitative change in the kind of arms provided to Kuwait.

After a 20-day period that began on Friday, the administration must submit a formal notification to Congress, after which it has 30 days to adopt a resolution of disapproval, which would kill the sale provision or a veto could be overridden.

Kuwait is not considered a threat to Israel, and its repeated refusal to give in to terrorist demands to free 17 Lebanese and Iraqis involved in the 1983 attacks on the U.S. and French embassies has won praise.

Defending the sale, Mr. Shultz said that Kuwait was vulnerable to attack by Iran. "This is a positive development," Shultz said. "It represents a step by Kuwait to undertake measures for its own defense."

Ferraro Son Sentenced For Selling Cocaine

RUTLAND, Vermont — John Zaccaro Jr., 24, the son of the 1984 Democratic vice-presidential candidate, Geraldine Ferraro, was sentenced Thursday to one to four years in jail for selling \$25 worth of cocaine, with all but four months suspended.

U.S. District Judge Francis McCaffrey also fined Mr. Zaccaro \$1,500 and ordered him to perform 300 hours of community service. The judge stayed the sentence and gave the defense 30 days to file an appeal. Mr. Zaccaro faced up to five years in prison and a \$10,000 fine.

Mr. Zaccaro's position was echoed by Wayne D. Angell, a Federal Reserve Board governor, in a speech to the Independent Bankers Association. Mr. Angell said that any rise in crop prices could spur increased production and lead eventually to slower price growth.

Meanwhile, Beryl W. Sprinkle, the chairman of the president's Council of Economic Advisers, predicted that inflation would be about 4 percent this year, down from 4.4 percent last year. However, he acknowledged that the drought was troublesome.

"I do not think it will ruin our strategy of keeping inflation subdued, but it's certainly painful for farmers," Mr. Sprinkle said in an interview with the NBC television network.

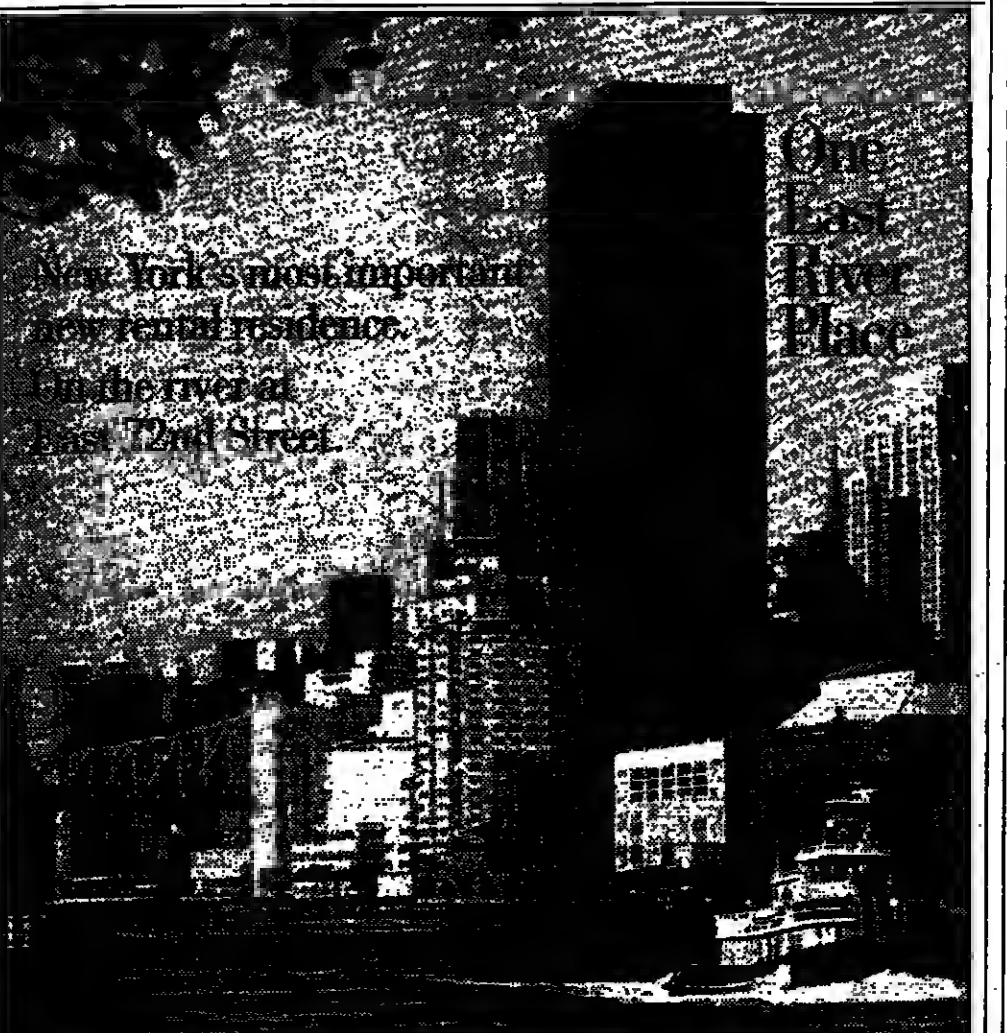
Administration officials have said that farmers should pray for rain, and Mr. Fitzwater, who grew up on a Kansas farm, said Thursday that the advice was not factitious.

Basque Radicals Burn Buses

BILBAO — Basque radicals set five buses afire Wednesday night to protest the death in prison of a suspected separatist guerrilla, local government officials said. Buses were burned in Bilbao, Pasaia and San Sebastián. Protesters clashed with police in Bilbao.

Several U.S. senators voiced concern on Thursday about the planned weapon sale to Kuwait, Reuters reported from Washington. But Secretary of State George P. Shultz said Kuwait needed the weapons to deter Iran.

Senator Dennis DeConcini, Democrat of Arizona, told Mr. Shultz at a Senate subcommittee hearing, "It appears almost incon-



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OPINION

In Britain, The Advent Of Incivility

By Bernard D. Nossiter

LONDON—Britons are not normally neat. Each day, I pick up cigarette packs, styrofoam bits at computer printouts... The other day, I had to sweep sheets of paper smeared with ink... London has fewer traffic lights than New York... London has fewer traffic lights than New York...



What have we done to deserve this?

East Germany: Feeling Ill But Fearing the Medicine

By William Pfaff

BERLIN—The leaders of East Germany genuinely do not know what to do. Reform in the Soviet Union puts them under intense, potentially unmanageable pressures. They fear reform for the sake of preserving their own power... The government is trying to control the situation with arrests and prison sentences, though technically, the emigration requests are legal...

East German contacts and acquaintances over several years have constantly given the same result: East Germans would vote, if they could vote, for a social democratic platform, like that of the SDP in West Germany... The East Germans do not long for capitalism or anarchical freedoms. A Western scholar's informal poll of

During This Pause on START, Time for Rethinking

By Ivo H. Daalder

LONDON—It appears increasingly unlikely that a U.S.-Soviet agreement to reduce strategic offensive forces will be signed before President Reagan leaves office. The Reagan administration can use this time to put the emerging START agreement on a more sound strategic footing... The Reagan administration, in its rush to dis-

arm, has focused on the technicalities of a START agreement without placing the question in its strategic and financial context. Nowhere is this more apparent than with the third issue needing study: sea-launched cruise missiles, or SLCMs... Washington and Moscow have agreed to limit nuclear-armed long-range SLCMs, but they are divided on how to verify agreed limits and on whether to constrain conventional cruise missiles as well...

Herald INTERNATIONAL Tribune

Real Changes in NATO

Whither NATO? The very question sounds like a parody of portentous concern over the defense of Western Europe. Yet suddenly parody becomes profundity because of two changes affecting the alliance... The first is Mikhail Gorbachev's new thinking, as manifested by the INF Treaty... The second is a question that bubbles through the U.S. presidential campaign...

Exchange Rates Work

Exchange rates work, it turns out, and at last the U.S. trade deficit is beginning to show it. For many months, through last summer and fall, a horrible doubt spread that the United States might be under a magical spell exempting it from the normal and familiar effects of a falling exchange rate... These statistics have been greatly improved in terms of accuracy over the past year or so. Until the trade deficit began to soar, Americans did not pay much attention to these data...

Other Comment

Beijing Has Not Forgotten: The world has become so accustomed to dealing with a China that is more occupied with economic development than foreign adventures that it often forgets Beijing has never given up the idea of bringing Taiwan back into its fold... A Gravy Train Stops in Zaire: President Mobutu Sese Seko of Zaire has had more than a quarter of a century to improve living conditions in his country... Providing Security in Seoul: Cries of "Yankes go home!" might be expected in some countries, but not South Korea. Demonstrations by thousands of radical students underscore the fact that they were not alive at the time U.S. forces went to the aid of the South Korean invasion...

Philippines: Father America Won't Just Fade Away

By Stanley Karnow

POTOMAC, Maryland—“We must say the father image,” Raul Manglapus, the Philippine foreign secretary, remarked the other day. The time has come, he explained, for Filipinos to shake off the influence of the United States and assert their own national identity... Millions want to make it the 51st state; others fight U.S. influence. To have a heart operation in Texas, Benigno Aquino pondered ways to remain in the United States without violating his pledge to return home... The government has been trying for years to promote Tagalog, reports named “Filipino,” as the national language... The government has been trying for years to promote Tagalog, reports named “Filipino,” as the national language...

100, 75 AND 50 YEARS AGO
1888: Europe Mourns: LONDON—The Spectator says: “We retain the conviction... that the death of the Emperor Frederick will release dangerous ambitions in Russia, and intensify still more dangerous fears in France... 1938: A British Pledge: LONDON—In response to the pressure of public opinion in the United States and other countries, Prime Minister Neville Chamberlain announced [on June 16] that Britain would abandon its “humane” aerial bombing in India, Palestine, South-east Arabia and Iraq if such practices stood in the way of a general agreement to abolish bombing from the air... 1913: U.S. Currency Bill: NEW YORK—President Woodrow Wilson announced today [June 16]

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OPINION

15 Ways to Make 'Glasnost' More Reality Than Illusion

By William Safire

LONDON — The British press is knocked out by the "New Russian Revolution," end of the Cold War, winds of change — oh, what a lovely peace. ... 1. Shut down East Bloc support groups of terrorism. Bulgaria, East Germany, Hungary and Yugoslavia operate training camps and offer safe haven to Red Guard and PLO terrorists; a word from you could end that.

The Need to Coexist

WHAT constitutes a normal relationship with the Soviet Union? Immediate conflict? Or has the relationship finally become dynamic? The imperative of this dynamic is the coexistence of states that are different and have important conflicts but must in the end conduct relations in ways that do not endanger the planet.



LETTERS TO THE EDITOR

A Record of Policy Fiascoes

Regarding "Central America: A Washington Fiasco" (Opinion, June 1): So what else is new? American foreign policy has always been more or less a fiasco. Franklin D. Roosevelt, through his naive preference for the motives of Stalin over those of Churchill, brought the Russians halfway across Europe.

Distortions on Ethiopia

The New York Times comment "OAU in Test of Courage" (May 27) is distorted. The claim that Empress Menen, wife of Haile Selassie, was executed by the present government in Ethiopia is part of a deliberate campaign to distort the image of the country's leadership. The empress died a natural death in 1962, a good 12 years before the revolution.

Pins Ça Change ...

It is almost exactly 40 years since I first set foot in Paris. I remember very well my feelings at that time, and my reaction to the sounds and sights and smells. I was mindful then of history, ancient and modern. And I am now. Of course, I have been through Paris since then, but it is not like coming to live in the place. So much is different, so much is the same. Then, for a very small bar of Ivory soap, I could get my laundry done for a whole week. Now, I cannot find a laundress (nor a coin laundry). Then, a taxi driver told me, "C'est double la nuit," and when I replied, "J'habite Paris," I got the response, "Oh, je m'excuse." Then, I was a weary penniless student and now I am a retired businessman. Now I ride on the Métro and do not dare to get into a taxi.

A Life in Letters, and Cups, And an Earring in a Trunk

By Ewa Zadrynska

NEW YORK — I came to live in the United States believing I was profoundly prepared. I had studied the works of Flannery O'Connor in Polish, and had learned English by reading J.D. Salinger's short stories. I had seen all of Woody Allen's movies, and could sing Duke Ellington's "Take the 'A' Train." But I found myself living in Washington Heights, at the north end of Manhattan, among Spanish-speakers, plantains and a thousand "boom boxes." My only connection with the rest of the world was the famous A train. But this train didn't lightly swing like Ellington's. It rocked and rolled like heavy metal.

GENERAL NEWS

VDTs Are Again a Health Issue in U.S.

By Philip M. Boffey

WASHINGTON — After years of relative quiet, the possible health effects of video display terminals have again become a public issue, fueled by a scientific study and a new law on Long Island. ... The evidence on eyestrain is more conclusive, experts say. The consensus of authoritative scientific groups is that terminals do not ruin the eyes permanently by causing cataracts or other physiological damage. But the terminals can cause eye irritation, fatigue and headaches in workers who spend long hours staring at their machines.



Some dangers of video display terminals are discounted, but others are still open to doubt.

scientific evidence that terminals are a hazard to pregnancy. The National Institute for Occupational Safety and Health is conducting a major epidemiological study, scheduled to report early next year, that may shed more light on whether video terminals are associated with miscarriages. ... The law was not based on concerns about radiation emissions or misarrangements, according to its backers, but rather on studies that detected such ailments as eyestrain, stiff necks and crippling hand and wrist pains among workers who put in long hours at terminals.

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6th Ave. FRANKLIN ROOSEVELT 6th floor, 38 sqm, sun, view Eiffel Tower, 150 sqm, 3 bedrooms, 2 bathrooms, 2 carports. Call: Mr. Smith, 01 624 7171 (week) or 01 722 1008 evenings.

6th Ave. ODEON 17th cent. building, full bank charm, 2nd floor, no lift, 87 sqm, view Eiffel Tower, 150 sqm, 3 bedrooms, 2 bathrooms, 2 carports. Call: Mr. Smith, 01 624 7171 (week) or 01 722 1008 evenings.

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PARIS AREA FURNISHED AVENUE FOCH, luxury furnished apartment, 3 bedrooms,

'We Want Armenia!' Crowds Cry in Enclave As Conflict Deadlocks

Reuters
MOSCOW — People shouting "We want Armenia!" crowded the main square of Stepanakert, capital of the Nagorno-Karabakh Autonomous Region, on Thursday, one day after Armenia called for unification with the disputed region.

"I can hear them out there shouting, 'Armenia! Armenia! We want Armenia!'" said an official at Communist Party headquarters in Stepanakert, a city of 33,000 people.

The Armenian Supreme Soviet, the nominal parliament, voted on Wednesday in favor of transferring Nagorno-Karabakh to Armenian jurisdiction. It now is an enclave in the Azerbaijan Republic.

The Armenian Supreme Soviet urged the national Supreme Soviet in Moscow to consider and solve the question "positively."

Nagorno-Karabakh is a mountainous region important in the histories of both Azerbaijan and Armenia. Armenians make up three-quarters of the population, but the region has been part of Azerbaijan since the early 1920s, shortly after the formation of the Soviet Union.

Workers in Nagorno-Karabakh have been on strike for nearly four weeks to back demands for incorporation into Armenia. In the last four months, violence between Armenians and Azerbaijanis has left at least 35 people dead.

Strikes in Nagorno-Karabakh continued on Thursday despite the action of the Armenian parliament, the party official said. "Nothing has changed," he added.

To Moscow, the Communist Party daily Pravda said last week the strikes had paralyzed production in Nagorno-Karabakh and that party officials had "lost control."

In Stepanakert, the party official said Armenians in a truck convoy were injured when Azerbaijanis threw stones at them as they were driving into the city.

ASIA: Few Soviet Gains

(Continued from page 1)
economic trade and business activity along the Pacific rim.

It also was a recognition, they added, that past Soviet policy had failed to provide Moscow with the influence and standing it wanted in the region.

That policy often was condemned by non-Communist Asian governments because it depended heavily on a buildup of military power in the Soviet Far East and its projection into other parts of Asia through Moscow's close ties with several Asian Communist countries, particularly Vietnam.

Mr. Rajaratnam said Moscow had realized that many Third World countries had become disillusioned with Marxist ideology.

"The style of extending Soviet influence is changing because the old Communist style comprising infiltration and subversion has proved negative for them," he said.

Instead, he added, the Soviet Union is trying to become an economic force in Asia and the Pacific "because the attraction of other big powers like Japan and the U.S. is their economic power."

Yevgeny M. Primakov, of the Institute of World Economics and International Relations in Moscow, said on a visit to Japan last month that the Soviet Union was aware of the growing economic significance of the Asia-Pacific area.

He said Moscow wanted to develop the Soviet Far East through extensive economic links with Pacific nations.

He said he could give no official information on the incident, but added that the trucks were traveling from Yerevan to Stepanakert to help with agricultural work when they were attacked.

In Yerevan, the Armenian capital, people were at work on Thursday and there were no demonstrations in Opera Square for the first time in weeks, a spokesman said. "It looks so strange to see the square empty. We became accustomed to seeing people there," he added.

Residents of Yerevan had called a general strike to back Nagorno-Karabakh's appeal, but started returning to work earlier this week when the Armenian Communist Party chief told them that parliament would support them.

To Azerbaijan, the republic's Supreme Soviet voted Monday to reject Nagorno-Karabakh's demands, leaving Moscow with the problem of solving the feud.

Izvestia, the Soviet government newspaper, said on Thursday that the Armenian parliament had condemned atrocities in Sumgait, a city in Azerbaijan where 32 people, most of them Armenians, were killed in riots in February.

Izvestia also said regional tensions had been aggravated by inadequate press and broadcast coverage of the trials in the Sumgait violence. News last month that one of the defendants had received a sentence of 15 years for murder provoked protests by Armenians that it was too lenient.



Russian Orthodox priests, wearing war medals, at the monument of the Unknown Soldier in Kiev during millennial celebrations there.

CHURCH: Gorbachev Enlists Russian Orthodox Following in Campaign

(Continued from page 1)
not whether we were in heaven or on earth, for on earth there is no such splendor or such beauty."

In seeking to tap this force, Mr. Gorbachev seems to face no immediate risk. Firmly subjugated by Peter the Great almost 300 years ago and badly battered by the Soviet state, the surviving Russian church is timid and loyal.

Bearing ample witness to this subservience during the millennial celebrations are the seals of praise that Patriarch Pimen and other

prelates have lavished on Mr. Gorbachev and the restructuring plan he calls *perestroika*, the defense to officials of the watchdog council for religious affairs and the constant pledges of fealty to the state.

Yes, the recognition of an institution that by definition challenges the state's monopoly on ideology and authority has inherent risks.

Young people have long been tentatively tasting religion as an alternative to the barren official ideology and the new dispensation is certain to increase the flood. Dozens of unofficial religious pub-

lications already have surfaced and young believers increasingly call for a church entirely independent of the state.

Mr. Gorbachev probably will be compelled to give similar treatment to other churches and religions — the Muslims of Central Asia, the Baptists and Pentecostals, the Roman Catholics, both underground and sanctioned, of the Baltic republics and the western Ukraine, the Armenian church and the Georgian Orthodox Church.

The underground Ukrainian Catholics pose a particular prob-

lem. Forcibly merged into the Russian Orthodox Church by Stalin in 1946, the church continued to operate secretly and has become a repository of Ukrainian nationalism, which has long been feared by the Kremlin for its links to Ukrainian elites in the West and its hostility to Russian domination in Moscow.

On the eve of the celebrations this week in Kiev, a Ukrainian cultural study group held a conference on the millennium as a Ukrainian event, because it occurred in what is now the Ukraine and laid the foundations also of the Ukrainian nation.

Ukrainian Catholic sources also reported special masses celebrated in secret chapels in the western Ukraine to mark the millennium.

The Russian Orthodox Church itself, despite its willingness for many years to be a mouthpiece for Soviet propaganda abroad, has developed extensive independent ties to the Vatican, the World Council of Churches and other international organizations.

The presence in Moscow and Kiev of the Vatican's secretary of state, Cardinal Agostino Casaroli, at the head of a large and influential delegation testified to Pope John Paul II's interest in forming links to the Russian Orthodox Church despite the unresolved problems with Soviet Catholics.

Forging strong, independent links abroad and affirming its special place in "Sacred Rus," the church could yet prove a force for Mr. Gorbachev to reckon with.

STRIKE: South African Blacks Recall Soweto Day

(Continued from page 1)
whether it would dilute participation in Thursday's observance.

But based on decreased passenger loads reported by public transport systems, independent labor analysts estimated that Thursday's strike was 70 percent effective nationwide, with heaviest participation in the Johannesburg area.

Police reported only about a dozen incidents of violence, out of all of which could be directly linked to the anniversary protest. They included firebombs thrown at buses and delivery trucks in Cape Town, Durban and Port Elizabeth, and sabotage of a power line near Durban, which halted rail traffic for several hours.

An unidentified man was killed when a grenade he was apparently

carrying exploded in his hand near Cape Town, police said.

The 1976 uprising had a profound impact on South Africa's black nationalist movement, leading to the voluntary exile of many anti-apartheid activists, who collectively became known as the "Class of '76."

The uprising began as a peaceful protest march against the mandatory teaching of Afrikaans in black schools, and quickly evolved into nationwide strife after police opened fire on a group of children in Soweto, killing several of them.

A month later, the government capitulated by declaring that blacks could choose the language of instruction in their schools.

A small group of blacks gathered Thursday morning at Soweto's Avlon Cemetery at the grave of Hector Pieterse, a 13-year-old boy who was the first to be shot by police during the protest march.

A widely published photograph of Pieterse's body being carried by weeping friends through the township's riot-torn streets helped raise the world's consciousness of the struggle against apartheid at that time.

On Thursday, relatives placed flowers at Pieterse's grave, which bears the inscription, "Deeply mourned by his parents, sisters and a nation that remembers."

9 Guerrillas Slain
South African police have shot and killed nine suspected nationalist guerrillas in the past week, Law and Order Minister Adriaan Vlok said Thursday, Reuters reported from Johannesburg.

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U.K. Warns on Security After IRA Blast Kills 6

Compiled by Our Staff From Dispatches
BELFAST — Six British soldiers were killed by an Irish Republican Army bomb planted under their van because they failed to make basic security checks after taking part in a charity "fun run" in the British secretary of state for Northern Ireland said Thursday.

The six were killed Wednesday night by a seven-pound (3.2-kilogram) bomb hidden under their unmarked van in Lisburn, seven miles (11 kilometers) southwest of Belfast. It was the worst attack by IRA guerrillas on British troops in almost a decade.

The IRA's Belfast Brigade, in a statement taking responsibility for the blast, said guerrillas had slipped into the predominantly Protestant town of Lisburn, headquarters of the British Army in Northern Ireland, and wired the bomb to the van.

The vehicle exploded as the soldiers drove through the town center after taking part in a 13-mile charity run that had attracted 4,250 competitors.

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soldiers at fund-raising events, but a police spokesman said it was impossible to achieve total security.

"We cannot have 100 percent security against an organization which will carry out a callous attack like this, where thousands of people are involved," the spokesman said.

The death toll Wednesday was the highest since an IRA bombing at a war memorial ceremony in Enniskillen killed 11 civilians in November.

(AP, Reuters)

SOCCER: U.K. Crackdown

(Continued from page 1)
The government hates you, every one hates you."

Even West German news organizations seemed surprised at the level of reaction in Britain to the violence.

Britain's mass circulation tabloid newspapers have showcased events in West Germany in daily front-page stories, with headlines such as "Scum Fans at It Again," "World War III," and "Yobs Plot War." Yob is a British slang term for a thug.

West German newspapers, on the other hand, have tended to play down the incidents. The *Frankfurter Allgemeine Zeitung* said Wednesday that "since the starting whistle was blown, every punch, every smacked window and every black eye has been recorded as if a war diary had to be written."

Pointing out that West German regularly followed German first-division matches, the paper said that "Mrs. Thatcher should know better" than to assume such an attitude of shame.

The harsh reaction in Britain to the violence of her countrymen abroad reflects the competition and fear felt by Britons over the rising level of seemingly mindless violence and serious crime in Britain, on and off the soccer field.

Although it has sharply increased in recent years, violence around soccer matches is not new in Britain. Eric Dunning, a researcher who has studied the problem, said that the majority of the hooligans were unskilled or semi-skilled laborers with relatively low levels of education.

More than 2,000 people were arrested in disturbances in Britain's small towns and villages last year.

"In general terms, we're talking about people in their late teens or early 20s," said Brian Hayes, the chief constable for Surrey. "We're not talking about unemployed, deprived people. They are mostly people in employment, with money to buy drink."

But British troops were allowed to participate Wednesday in the charity run in Lisburn. The town's mayor, Billy Bleakes, said the town was in "shock and disbelief" that any human being could do this to other human beings.

No civilians suffered serious injuries, the police said.

It was the IRA's most serious attack against the British Army since August 1975, when 18 soldiers were killed by land mines at Warrenpoint, Northern Ireland.

Army officials said they would review any future participation by

Vol.	High	Low	Last	Chg.
Novo 8 8	17 1/2	17 1/4	17 1/2	+ 1/4
Sch 5 8	17 1/2	17 1/4	17 1/2	+ 1/4
Dow 2 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4

NYSE 4 a.m. volume	NYSE prev. close
181,500,000	125,700,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000
11,800,000	11,800,000

High	Low	Close	Chg.
2,212.24	2,192.24	2,212.24	+ 20.00
2,192.24	2,172.24	2,192.24	+ 20.00
2,172.24	2,152.24	2,172.24	+ 20.00
2,152.24	2,132.24	2,152.24	+ 20.00
2,132.24	2,112.24	2,132.24	+ 20.00
2,112.24	2,092.24	2,112.24	+ 20.00
2,092.24	2,072.24	2,092.24	+ 20.00
2,072.24	2,052.24	2,072.24	+ 20.00
2,052.24	2,032.24	2,052.24	+ 20.00
2,032.24	2,012.24	2,032.24	+ 20.00

**Thursday's
NYSE
Closing**

Via The Associated Press

Class	Prev.
Advanced	233
Declined	233
Unchanged	233
Total Issues	233
New Issues	233

Class	Prev.
Advanced	233
Declined	233
Unchanged	233
Total Issues	233
New Issues	233

Vol.	High	Low	Last	Chg.
Novo 8 8	17 1/2	17 1/4	17 1/2	+ 1/4
Sch 5 8	17 1/2	17 1/4	17 1/2	+ 1/4
Dow 2 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4
Amgen 1 1/2	17 1/2	17 1/4	17 1/2	+ 1/4

Class	Close	Chg.
Bonds	98.58	+ 0.12
Utilities	98.12	+ 0.08
Industrial	97.85	+ 0.05

Class	Prev.
Advanced	447
Declined	781
Unchanged	428
Total Issues	1656
New Issues	157

Buy	Sales	Share
June 15	238,568	513,790
June 16	247,155	486,953
June 17	247,425	486,953
June 18	247,425	486,953
June 19	247,425	486,953
June 20	247,425	486,953
June 21	247,425	486,953
June 22	247,425	486,953
June 23	247,425	486,953
June 24	247,425	486,953

Open	High	Low	Last	Chg.	
Index	2124.24	2124.24	2091.77	304.24	+ 21.14
Trans	67.24	67.24	65.87	65.87	+ 1.25
Com	120.42	120.42	119.20	119.20	+ 1.22
Tru	78.60	78.59	77.75	77.75	+ 0.85

High	Low	Close	Chg.	
Industries	317.24	316.20	315.8	- 0.40
Trans.	112.00	111.75	111.50	- 0.25
Utilities	120.00	119.75	119.50	- 0.25
Finance	120.00	119.75	119.50	- 0.25
Com	120.00	119.75	119.50	- 0.25
SP 100	317.24	316.20	315.8	- 0.40

Class	Prev.
Advanced	191
Declined	191
Unchanged	191
Total Issues	191
New Issues	191

High	Low	Close	Chg.
308.52	308.52	307.87	+ 0.65

N.Y. Stocks End Sharply Lower

11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
11 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange closed sharply lower Thursday in moderate trading as profit-taking, a lower dollar and weakness in bonds clipped the wings of a market enjoying its highest levels since October.

The Dow Jones industrial average, which rose 6.93 Wednesday, fell 37.16 to close at 2,094.24. Declines translated by more than a 2-1 ratio among the 1,950 issues traded. Volume totaled 161.6 million shares, up from the 150.2 million traded Wednesday.

The Dow plunged nearly 31 points in the first half hour of trading, managing to cut the loss to around 20 points by midday before resuming its slide in the final two hours.

The decline was exacerbated sharply by disarray in the credit markets, which were reacting to an unsubstantiated report in a West German newspaper that indicated the Bundesbank might be tightening monetary policy.

"There are some indications that Japan might be doing the same. And that says effectively that if the Federal Reserve wants to keep the dollar stable, it will not give interest rates much room to decline," said Hugh Johnson, senior vice president at First Albany Corp.

The decline of stocks was mirrored in bond prices. The Treasury's bellwether 30-year bond issue was off 1 1/2 points, or more than \$16 per \$1,000, in face value in late afternoon.

Donald Carver, president of Centre Square Investment Group, in Philadelphia, said the market began the day "with a high degree of nervousness" over rumors surrounding a possi-

ble hike in West German interest rates and the uncertainty surrounding Friday's so-called "triple witching hour."

He agreed that the quarterly event — in which stock-index futures and options and other individual stocks all expire — had become less of a factor in the market, "but it still makes people nervous because sometimes the perception is more important than the reality."

He said the prevailing mood is very cautious, but he predicted that stability will return to allow the market to move up again.

Broader market indexes also retreated. The New York Stock Exchange composite index fell 2.23 to close at 152.44. Standard & Poor's 500-stock index dropped 4.68 to 269.77. The price of an average share lost 48 cents.

"The dollar weakened overnight and the markets, especially the bond market, are very sensitive to the dollar and this translated into weakness for stocks," said Ricky Harrington, chief technical analyst with Interstate Securities Corp., in Charlotte, North Carolina.

"In addition, the market has moved up very sharply over the past two weeks so profit-taking is not unexpected at these levels," Mr. Harrington said.

Since trading resumed after the Memorial Day weekend, the Dow has jumped nearly 175 points to the highest closing level since the October collapse.

Novo Corp. was the most active issue Thursday, up 1/2 to 10 1/4. Smithline Beckman followed, dropping 9/4 to 4 5/8.

(UPI, AP)

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.

TRAVEL

■ Elizabethan Homes
■ Along the Meuse River
■ The Frequent Traveler

June 17, 1988

International Herald Tribune

TRAVELER'S CHOICE

Berggruen Collection in Public

The Berggruen collection of modern art — more than 100 works owned by dealer Heinz Berggruen, including paintings by Chaim Soutine, Bonnard, Seurat, Klee, Matisse, Giacometti, Miró, Braque and Picasso — is on display for the first time in Geneva, until Oct. 30. The exhibition, organized by the newly established Geneva Art Foundation, is being held at the Musée d'Art et d'Histoire. At the opening on Wednesday, Berggruen said: "It may sound pretentious, but upgrading the collection may be difficult." However, he added, "If I would spot another wonderful Seurat, I would not hesitate." The 74-year-old collector said he considers "Les Femmes" by Seurat — three nude females in the artist's studio — to be the "jewel" of his collection.

Wimbledon Watching Strategies

No reservations for the Wimbledon Lawn Tennis Championship, June 20 to July 7? You can still get a limited number of standing-room tickets for the first nine days by lining up each morning. Standing-room tickets for the last four days have already been distributed to those who took part in a lottery for them. General admission tickets go on sale at 11 A.M. for £5 (about \$9). These tickets allow standing-room at Center Court, Courts 1 and 2, or freedom to roam the grounds to see players such as Pat Cash (left), who returns this year as defending men's champion. The ticket office advises arriving early. For those who get inside, reserved seats often become available in the late afternoon as people leave and turn in their tickets to be sold at a discount. After 5 P.M. the reserved seats can be purchased for a few extra pounds. And then, of course, there are the scalpers.

New Barriers on Cyprus

Visitors to Nicosia can no longer make day trips across the "Green Line," which divides the city of Nicosia — and the island of Cyprus — into the Republic of Cyprus and the Turkish Republic of Northern Cyprus to the north. Until a few weeks ago, according to a government spokesman, foreign visitors going from south to north could cross the line at a central checkpoint after signing a form stating that they would return to the same checkpoint from the north at 6 P.M. that day. Now, the Turkish Cypriot government requires that all passports be stamped when travelers enter, and the Greek Cypriots declare that anyone with a Turkish Cypriot stamp in his passport will be arrested. Visitors attempting to go north are now being turned away at checkpoints by Greek Cypriot guards. The Turkish Cypriots have encouraged people to leave their country, but the Greek Cypriots refuse to acknowledge that there is an independent country beyond the Green Line. Under the new rules, the only foreigners permitted to cross the line are diplomats. Citizens of both the north and south republics have never been allowed across.

A Little Night Music to Croak About

For the music lover looking for that something extra, consider the Frog Concerts of Hitzacker, West Germany. From June 19 to 24, the town will put on two evening concerts by local frogs. Accompanying the performances will be talks on the life and songs of these amphibians. For 355 Deutsche marks (\$200), concertgoers receive five nights lodging, demi-pension and a boat ride on the Elbe. Contact: Parkhotel, Hitzacker, Tel: 05862-8081.

China on the Supersonic Run

Pressed for time? For \$15,000, Air France's Concorde will zip you around China on an 18-day package from Shanghai and a tour of Jade Temple to a banquet in Beijing to the monasteries of Tibet, including a stop in Hong Kong. Departure is Aug. 12.

It's Florence, but Where Are Statues?

by Susan Lumsden

FLORENCE — The Piazza della Signoria looks like some sort of cataclysmic, end-of-the-world setting these days. There are the endless archaeological excavations to reveal a medieval city that no one really cares about, so brilliant was the act that followed, and the Loggia dei Lanzi, the greatest outdoor sculpture gallery in the world, is completely wrapped in scaffolding. Behind the plastic roofs covering the excavations nearer the Palazzo Vecchio, the visitor gets a glimpse of the beautiful bronze statue of Judith with her sword aimed at the throat of the drunk and lusty Holofernes. This is one of Donatello's greatest works (1457), possibly even more loved by the Florentines than Michelangelo's "David" beside it. Yet, this "Judith" is a copy,

as is "David," the original Michelangelo having long been consigned to the Accademia Gallery. In 1495, the original "Judith" was the first statue to be placed in the ceremonial Piazza della Signoria. It is now inside the Palazzo Vecchio after an unbroken outdoor tenure of almost 500 years. In spite of painstaking restoration, fully documented in a Sala dei Gigli exhibition, the greatest act of conservation, says Antonio Paolucci, the head of the Soprintendenza dei Beni Artistici e Storici, was moving the statue out of reach of the acid rains and traffic fumes. So begins a new era of copies to replace the last of the original Renaissance statues in the streets and squares. For many, it is the end of Florence the Pure, with its stannary link across six centuries of art and history.

LAST February the city's traffic commissioner, Graziano Ciomi, made a widely acclaimed effort to close the center of Florence to all private cars except those belonging to residents. Today, Ciomi agrees, the ban has not worked well enough. In spite of the first sweet-smelling weeks, there has been a gradual failure to improve public transportation and to prevent unauthorized cars from entering the inner city. "But we have to continue," insists Ciomi. "It was possible in the beginning when everybody tried."

Other statues will go indoors gradually as suitable places are found in churches, museums and other public buildings. One of the next departures will be Verrocchio's "Doubting St. Thomas" as she was called then, to the public Palazzo Vecchio where she belonged. As a warning to other aspiring tyrants, the instigators inscribed *Exemplum Salutis Publicae* on the base. Like "Judith," "St. Thomas" will be restored by the Opificio delle Pietre Dure. This 400-year-old workshop of semi-precious stones is now mainly a restoration laboratory that has just cleaned two panels of Ghiberti's Doors of Paradise from the Baptistery. They are now in the Museo dell'Opera del Duomo, the museum created in 1891 to conserve original sculptures from the exterior and interior of the cathedral. It is one of the finest museums in Florence, but hardly anyone goes there.

For Florentines, and perhaps for visitors too, the real thing is in the streets, available for consumption at any hour. Indeed, the hard, flinty Florentine character is sometimes thought to be due to the habit of speaking with statues more than with human beings. "I'll meet you under Cosimo at noon and we'll go somewhere for lunch," is a common appointment in the Piazza Santa Trinita, the site of the tall, pedestaled statue of the first Medici to assume the title of grand duke of Tuscany. For children particularly, statues are immobile human beings. For Florentine children, they are characters imprinted on the psyche. One favorite is Ammannati's "Neptune," forever condemned to bathing in his fountain in the Piazza della Signoria. Others are not so friendly. Particularly bloodcurdling are Neptune's neighbors in the Piazza della Signoria. But unlike revolutionary Paris, where statues of kings and princes were beheaded



A view of the city with the Ponte Vecchio.

along with living ones, the statues of Florence are mainly of antiquity's underdogs. After the Medici were chased out of Florence in 1495, the mob rushed into the Medici palace in Via Cavour to carry away Donatello's brave "Giulietta" as she was called then, to the public Palazzo Vecchio where she belonged. As a warning to other aspiring tyrants, the instigators inscribed *Exemplum Salutis Publicae* on the base.

If marble and bronze and the hardest substances known to man are rapidly deteriorating in the presence of toxins, what are they doing to more fragile flesh and blood, asks Giuliano Tordi, an archaeological restorer. "What does it matter if David has triumphed over Goliath or that Perseus has beheaded the evil Medusa when we insist on driving cars into the historic center and voting for politicians who won't take the initiative in eliminating lead from gasoline or

improving public transport? The air is too abstract." Significantly, the last public protest in Florence was against the placing of a statue, by the contemporary Michelangelo Pistoletto, in the Piazza della Porta Romana. This large and witty rendering of a white woman's burden (man) is thought by its few admirers to be rather advanced conceptually for traditional Florence. The statues that are really cherished are the Renaissance ones in the Loggia dei Lanzi, which started crumbling a year ago in spite of being made of pietra forte, the yellowish stone of the early Renaissance paces of Florence. "We have tried to create spaces in the scaffolding to leave the statues open for viewing," explains Antonio Godoli, the architect in charge of the restoration of the graceful Loggia, built in 1380 and later named for the Lanzichenochi, the Spanish guards who projected the Medici when they re-

turned as dukes with the support of Spain. In spite of the modern medical equipment — optical fibers — inserted into the stone to study its interior state of health, there are no skilled workmen left in modern times to choose the right veins or blocks of pietra forte to replace the crumbling ones, says Godoli. One positive sign of the times, he adds, are the 10 workers, all female apprentices in the Opificio delle Pietre Dure.

More, the forced restoration of the Loggia has brought to light yet another forgotten masterpiece in the statues of the Virtues in the niches between the rounded arches. According to Antonio Natali and previous art historians at the Uffizi Gallery, the head of "Faith" is by Donatello, circa 1435. It will eventually be removed along with the other Virtues and replaced by copies made of resin or cement, he says. With the scaffolding already in

place, he says, it seems logical to begin removing all the other statues of the Loggia without having to resort to a riskier crane to extract them. After the Virtues, the next to go will be "The Rape of the Sabinas" by Giambologna (1582), followed by "Perseus" (1554), whose complex casting by Benvenuto Cellini is even the subject of an opera by Berlioz. What is being lost for the future in Florence is contemporaneously being resurrected from the past. The most outstanding example of recent progress in art conservation is the reconstructing and recasting of the Bronzi da Cartoceto, a group of four Roman gilded bronze statues of the first century by the Archaeological Museum of Florence.

THE restorers — also responsible for the oow celebrated Greek Bronzi di Riace — have gone one step further by re-

Continued on page 11

In Japan, Tourist Boot Camp

by Kathy Jones and Clyde Haberman

THERE is nothing like a Japanese inn, or ryokan, to rest the soul and relax the body. Travel artists are always saying that. You arrive in late afternoon, sip tea and munch on sweets, soak blissfully in a cedar tub, slip into a comfortable robe, get cozy with cups of warm sake, eat a visually stunning meal served in your room by a nurturing *mama-san*, stroll in the garden while your bedding is laid out for you on the floor and then crawl between caressing layers of blankets for eight hours of heavenly sleep. No, there is nothing like a Japanese inn. Except maybe the boot camp. Make no mistake. We love ryokans. They offer warm and intimate contact with Japanese tradition. But for the weary traveler, Japanese inns are often as accommodating as a steel corset, as soothing as a Wall Street floor trader. And at the tonier inns, you get to pay \$200 a night for the privilege. That's per person, just in case you spotted a bargain. Discomfort can set in upon arrival.

NO shoes are allowed inside. At the entrance, you put on slippers, sometimes stamped with the inn's name. The foreigner who can find a pair that fits is as rare in these parts as a Chevy. As you pad around with your heels bumping along the hardwood floor, you feel a little like Alice after she ate the wrong mushroom. Slippers will be the bane of your visit throughout. You wear them in the corridors, but must take them off before stepping onto the tatami floor of your room. But did you pick up that critical detail in the scholarly book on Japan that you'd read on the plane? Not a chance. Instead, you blithely clomp onto the mat with the slippers still on while the *mama-san* shoots a withering look. When you go to the toilet in your room, you find another pair of slippers just inside the door, often hunkers of plastic with pictures of Mickey and Minnie Mouse on top. These must be worn while using the toilet and then left behind. Rare is the first-time visitor who

can keep all this straight. Most foreigners stroll back onto the tatami with their Mickey and Minnie still on. And, invariably, the *mama-san* chooses that moment to barge into the room. But that's all right. By then she has probably chewed you out for putting your robe, or *yukata*, on wrong. The first rule of ryokans is that *yukata* must be three sizes too small for foreigners, leaving a lot of unsightly leg exposed. Rule No. 2 is that foreigners will not know how to wear the robe properly. The left side must always be folded over the right. The other way around is reserved exclusively in Japan

Slippers will be the bane of your visit throughout. You wear them in the corridors, but must take them off before stepping onto the tatami floor of your room.

for the dead. That book on the plane probably didn't tell you that either. So one of your first ryokan encounters is with a room attendant asking why you would want to dress like a corpse. At about the same time, she will also ask when you want dinner, which is somewhat pointless since ryokan meal schedules are about as flexible as those at the U.S. Marine boot camp on Parris Island. How about 8 P.M., you suggest. She responds with a polite smile that screams no. Uh, 7:30, you offer. She smiles, O.K., you say, 7. She nods, but quickly adds that 6:30 would be better still. You look at your watch and discover that it is already 6:13, leaving little time for the relaxing communal bath you'd heard so much about. But you are not about to be cheated out of that experience, so off you run, carrying along a plastic-encased towel that was left for you in the room.


Optimists think that the bath will be a refuge. In a sense it is. When a foreigner walks in, the Japanese already there suddenly remember that they have to call the office, and rush out. The nice thing about having the bath to yourself is that no one is watching when you soap yourself outside the tub while sitting on a tiny plastic stool. Or when you commit the cardinal sin of entering the bath without first rinsing off all the soap suds. Or when you run off shrieking in pain because the water feels suitable for cooking lobsters. Or when you rip the towel from its plastic case, and discover that it is only slightly larger than a postage stamp.

By the time you've dried your right arm, the towel is soaked through, and you still have the rest of your body to tend to. Sopping wet, you put on the robe. By then you're so flustered that you forget the dress code. There you are walking back to your room, a well-dressed corpse trailing puddles. While you were away, the dinner table was set. Generally, the food is good. But we have yet to see a ryokan meal that did not contain a few items incapable of being catalogued as animal, vegetable or mineral.

By the second cup of sake, leg cramps have set in from sitting too long on the floor. You get up, walk around to shake off the stiffness and take in the scroll painting and floral arrangement. Very delicate. Very nice. But why, right next to these traditional ornaments, do ryokans put a red portable television set — sometimes with a channel for porno movies — and a small safe? In most places, there are no locks on the doors. If locks are unnecessary, why the safe? As you contemplate this mystery, a man bursts in, making it clear that mealtime is over whether or not you've finished. He moves the table, and shoes you away so he can lay out your futon and pillow, which is stuffed with rice kernels and is only a bit more comfortable than a boulder. If it is winter, you now face one of the few

Continued on page 11

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TRAVEL

THE FREQUENT TRAVELER

An Answer to the Airport Blues

by Roger Collis

A businessman was brought to us who had been found wandering around the airport crying. It turned out he'd been to New York and back three days previously. He couldn't organize anything for himself, or really tell us what had happened. We contacted his wife—who thought he was in the States—and she came to collect him.

A surgeon on his way to the Middle East broke down completely when he lost his attaché case. We brought him to our office where he was able to let out his feelings of panic. Then, as he began to feel supported, he was able to call his friends and cancel his credit cards. We helped him and let him use our phone.

These stories are told by Lily Lawson, a Scottish social worker and manager of Travel-Care, an agency at London's Heathrow Airport for helping people in distress.

"I think everyone passing through here," Lawson said, "even the seasoned business traveler, is suffering from some anxiety, whether they are aware of it or not, even if it is just: 'Am I in the right place at the right time? Plus flying itself. If you then have to cope with a personal loss problem or have just left a lover, parted from your family or are going to an important business meeting, these things are compounded by the high pressure environment at the airport and that is often when breakdown and crisis can occur. I don't think that there is another airport offering a professional service. It's one thing to help people who have problems, it's another to help people who have personal problems. Our aim is to be a focus for human concerns in a commercial setting."

Heathrow, which handled 55.6 million passengers in the last 12 months up to the end of last month, has the dubious distinction

of being the world's busiest airport—up to 1,000 flights a day and 12,000 passengers an hour. It is also a destination for more than 53,000 people who work in the sprawling 1,197 hectare (2,958 acre) complex.

"We are available to everyone, passengers, airport staff, airline employees, tenants, immigration and customs staff, even traffic wardens who constantly give me tickets," Lawson said.

TRAVEL-CARE—a registered charity—was formed in January last year as successor to Well-Care, a Church of England organization, which had been counseling travelers at Heathrow for 17 years. (Last year the group decided to turn its attention to church-related projects.) Travel-Care, a totally separate organization, is supported by British Airways Authority PLC, the local London borough of Hillingdon, British Airways and the World Health Organization. (Travel-Care provides a support service for some of WHO's study programs, Lawson said.)

The airport authority gives Travel-Care £30,000 (\$54,000) a year towards its expenses of around £70,000 as well as rent-free offices and free telephone and electricity. Generous when you think of the high rent that the authority charges its tenants (a reason why you pay about 50 percent more to rent a car than from an "off-airport" firm), but self-serving to a degree. Asked why the authority considers it important to support Travel-Care, a spokeswoman said: "It comes down to the fact that, if it weren't for Travel-Care staff, our information desks would be sidetracked from their normal duties by having to deal with the sort of problem that Travel-Care can cope with."

Lawson has a staff of five social workers (including three who are part-time) and 12 volunteers drawn from early-retired airport staff. They deal with 2,000 cases a year.

According to Lawson, what can often trigger a crisis for business travelers is when they miss somebody meeting them or have their valuables stolen. "We had a businessman from Zimbabwe who became very disoriented when he lost his party—they'd changed their plans and missed out one leg," she said. "We eventually found them in Scotland, but we had to ring Zimbabwe to check. The guy was in a very anxious state. We get a lot of situations like that."

Most of Lawson's "clients," as she calls them, are sent to Travel-Care by airport staff. "What happens is that people can be around the airport quite a long time, and staff notice them in their little area. Sometimes people ring the airport or the airline saying, 'They got wronged coming, can somebody help them?' Other agencies, such as the Institute for the Blind, often ask us to meet people."

STANDARD operating procedure is to bring the client to Travel-Care's main office at the Queen's Building, near Terminal 2. "A cup of tea helps a great deal to let out their frustration, upset, often aggression," Lawson said. "Space is very important and the therapeutic relationship we offer, although I would not want to make a special mystique out of it. Always we encourage clients to act for themselves, but in a crisis there are often times when the person is unable to do that. The skill is in assessing when we have to act on their behalf and when we should wait until they're ready to do it themselves. This is very important because we don't want to create a dependency on us, which is fairly easy to do when someone is in a vulnerable state."

When should a traveler seek help? "Whenever you feel the need," Lawson said. "Don't try to cope all alone. Go to an information desk and call us."

Châteaux Along the Meuse

by Theodore James Jr.

IN BELGIUM, the Meuse is a river of two faces. The stretch from the French border passes Dinant with its ancient citadel perched like an aerial over the town. Then it flows on to Namur, through some of the most beautiful countryside in Belgium.

Here the riverbanks are lined with summer villas, châteaux, inns, outdoor cafés and cliffs. Pleasure craft pass heavy-duty barges and other commercial craft. Fishermen along the banks and in rowboats haul in trout, pike, carp, bream, eel and crayfish. Between Dinant and Namur there are five locks, attractions in themselves. At Namur, the river joins the Sambre and widens as it flows east past the ancient cities of Huy and Liège, crossing into the Netherlands, where it ultimately pours into the North Sea. This stretch is far less picturesque, lined with industrial complexes and factories, in short, hard-working waterway.

FOR centuries the Meuse Valley had been caught in power struggles between the great powers of Europe, spurring the erection of fortified castles, often upon ancient Roman ruins, during the Middle Ages. Later, manor houses were built and, during the last 300 years, affluent Belgians built elaborate châteaux. Today many are open to the public.

The château country of the Meuse is relatively unexplored. Tour companies are not yet busily bringing visitors in from Brussels and guides do not hold out their hands for gratuities. In some châteaux, your guide may be the lord of the manor, the châteline or another member of the family. Compared with the palaces of kings in France's Loire Valley, the Belgian châteaux are modest. You will not experience too much art, too much fine furniture and too many rosebushes, for these were built, furnished and landscaped on a human scale and remain so. In many cases, they are still inhabited by families whose ancestors built them.

The best way to tour is by car. Allow two days, the first covering Namur south to Dinant, the second the countryside along the Namur-Liège arm of the river. The recommended first stop is the Château d'Annoeue in Profondaville, about a mile away from the riverside village of Wepion, strawberry capital of Belgium.

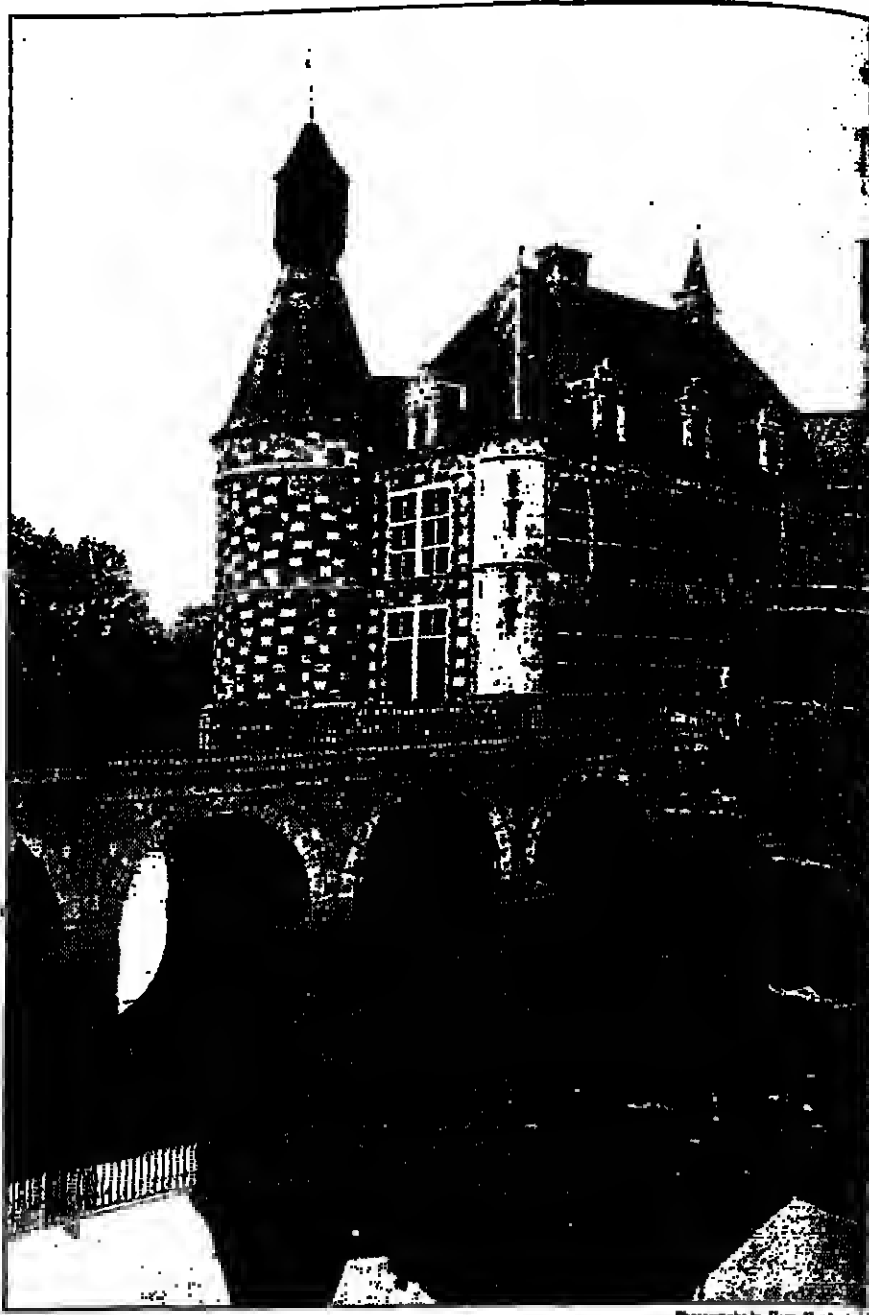
Although the 18th-century Louis XV-style graystone château and furnishings at Annoeue are surely worth your time, the water gardens are the real attraction, one of the most romantic settings in Belgium. This paradise of flowers, ancient trees and cascading water was created by Charles-Alexis de Montpelier during the late 18th century, 100 years after André Le Nôtre laid out Versailles. It is a harmonious blend of formal French, romantic Italian and informal English garden styles unified by a network of fountains, cascades, canals, pools, waterfalls and grottoes. And although the succeeding nine generations of Montpeliers, down to the current scion, Jean de Montpelier, have added their own touches, to a great extent the design remains true to the original.

MONTPELLIER'S inspiration was the fabled Gardens in Rome, with its mysterious hidden gardens and gushing fountains operated by gravity. He also visited Versailles, the now defunct Marly gardens, also designed by Le Nôtre, and the great gardens of England. A system of reservoirs feeds water into conduits that channel it into a descending system of fountains and other water spectacles. Gravity creates the pressure, without pumps or machines. Annoeue was the first water garden of its kind in Northern Europe and remains the only one in that part of the Continent operated by gravitational pressure.

Once you have passed through the towering wrought-iron entrance gate, the fantasy of gurgling, splashing and gushing water envelops you. At every turn there are such enchanting surprises as Italianate grottoes dedicated to Neptune or peopled with amusing stone dwarfs. There is a large reflecting pool fed by bronze dolphins flanked by the Giants' Walk: a series of descending fountains, the only one of its kind in Europe, and, at the end of the tour, a two-tiered cataract that spills into an octagonal pool with a towering flame, then a fan fountain culminating in another waterfall.

BEYOND are the recently added decorative tiers of fountains and symmetrical parterres of flowers, not quite successful, but intended as a concession to tourism, according to Jean de Montpelier. "Tourists love lots of flowers, so we have had to install them," he said. During July and August the gardens are illuminated and open at night.

The next château to visit is Spontin, about a half-hour drive along the Meuse, and then through the surrounding hills and valleys. The countryside here is an amalgam of forests and farmland, planted with wheat, hops and golden-flowered colts, whose seeds produce an ultrafine oil used in such delicate mechanisms as watches. En route, you'll pass through a scarlet poppy-strewn Brueghelian landscape dotted with castle farms, ubiquitous in Belgium, then anywhere else in Europe, far too many to preserve as national monuments, many ancient keeps and castles are simply used as barns by the farmers who own them. Spontin is Belgium's oldest inhabited castle, complete with dungeon, turrets, drawbridge and a moat, a quintessential evocation of a fairy tale fantasy.



Château de Jehay-Bodegnée.

Photograph by Barry Heston

As you enter the court, you'll pass through a monumental gate with details dating from the 12th through 15th centuries. Then you cross the moat that surrounds the castle structure. You can operate the drawbridge if you wish. Just beyond is the keep, which houses a library with a 15th-century Gothic fireplace and 16th-century boiserie, a collection of weapons, some 17th-century furnishings and a 16th-century printing plate. The rest of the castle, dating primarily from the late 16th through 17th centuries, contains an eclectic collection of museum-quality furnishings and art, including an ivory Christ by the 17th-century artisan François Duquesnoy. All was assembled by the succeeding generations and descendants of the Beaufort-Spontin family, who inhabited the castle until 1986, when it passed into English hands.

About a mile away in the village of Donnee is Le Vivier d'Oies, a country inn with one Michelin star, an ideal stop for lunch. Here you can dine on sweetbreads in port wine, asparagus in custard or Meuse River crayfish and eel in cream herb sauce. And, once you've finished, second helpings are served.

After lunch, head for Veves in the village of Celles, to the south of Spontin. This castle,

contains an impressive collection of Sèvres porcelains, an 18th-century Aubusson tapestry and much Louis XV furniture, all set in elegant rooms of appropriate style.

On the return trip to the Namur environs, follow the west bank of the Meuse. On the way, near the village of Frey, is a promontory upon the cliffs where you can view the Meuse Valley. Adjacent to the vantage point is a steep cliff, a challenge to the many mountain climbers who will see testing their courage and skill.

NEXT day, head west out of Namur toward Huy toward Liège. Just beyond Huy is Algron, a two-story rose-brick, early 18th-century château, built on a steep cliff overlooking the Meuse. Algron is one of only three châteaux in Belgium that are owned and maintained by the Royal Association of Historic Houses. Like the other châteaux visited, Algron has a near-perfectly preserved 18th-century interior as well as exterior. The foyer wall surrounding an intricate, monumental staircase was painted in trompe l'oeil style in 1720 and has never been restored. Nor has the 18th-century ceiling rendered in the style of the Italian master Tiepolo. A clock in one of the anterooms has been ticking for several hundred years and has never been repaired. The Delft-style tiles were made in 18th-century Liège. All furnishings, chandeliers, fireplaces and mantels, floors, carpets and tapestries are 18th century.

For lunch, you might return to L'Alpe Noir hotel-restaurant in Huy to sample its fish specialties. Plan on spending the rest of the afternoon at Jehay-Bodegnée, a most unusual and highly personal château. The present structure, with its strikingly original checkerboard facade made of white and brown stone, dates from the 15th century. Within the attractions that are diverse to the point of being amusing.

The grand old man who owns the château is 82-year-old Count Guy van den Steen, archaeologist, collector and internationally known sculptor. Years ago he began excavations on his property, uncovering Roman ruins in the courtyard and, in the depths of the castle, Lacustrine, Celtic, Roman, Gallic and Carolingian remains. He has installed an extraordinary museum of archaeology and paleontology in the vaulted Gothic cellars. The collection, with many artifacts discovered on the grounds of the château, numbers in the thousands, spanning more than 30,000 years of history. Included are dressed flints of the Gravelly and Gravettian eras, human skulls, tools, arrowheads and jewelry from paleolithic and mesolithic burial mounds, neolithic ceramics, glassware of the early middle ages and, perhaps the most bizarre, an ancient musical instrument made from a human rib.

The collections in the château are vast: ivories, wood-carvings, ceramics, jewels, watches, stamps, cameos, coins, snuffboxes, tapestries, Gothic through 18th-century furnishings, paintings of Brueghel, Titorelli, Murillo, Ribera, Giordano and others. The 300-piece silver collection spans three centuries. The count's own artistic contributions are seen in the garden, where he has installed extensive wrought-iron work of his own design, rare trees, fountains, cascades and many of his whimsical bronzes, such as his sleeping Venus reposed in the middle of a pool, usually covered with ducks who find her voluptuous form a perfect place to bask in the sun.

Theodore James Jr., author of "Landscape: A Five-Year Plan" to be published in November by Macmillan, wrote this for The New York Times.



Statue of lute player in Jehay.

another multitiered fantasy, is perched on a hill, its medieval main maintained inside as well as without. Originally built during the 7th century by Pépin de Herstal, great-grandfather of Charlemagne, the present structure dates from the 13th century. Twenty years ago the castle was in disrepair, but efforts by the family and government have restored it. Military history buffs, in particular will find Veves of interest, for the main attraction is the collection of Renaissance armor in the armorial hall and the watercolors of military uniforms worn during the ages by members of the Liechtenke-Beaufort family, owners of the structure. Unique in Belgium is the genealogical library and the heraldic engraving collection. The castle also

Table with columns for fund names, symbols, and prices. Includes sections for 'INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 16th June 1988' and 'Other Funds'. Lists various investment funds such as 'AL-AMAL GROUP', 'AL-AMAL INVESTMENT', 'AL-AMAL EQUITY', etc.

Advertisement for 'The Global Newspaper' featuring a large image of a globe and the text 'The Global Newspaper' in a stylized font.

Vertical advertisement on the right edge of the page, partially obscured, with text including 'Bist', 'Fall St', and 'Bim'.

TRAVEL

2 Paris Bistros That Fall Short

PARIS — Every now and then we all extend ourselves beyond reasonable limits, and it seems that Michel Rostang, whose wings now spread all over the 17th Arrondissement and beyond, to New York, has gone a bit too far.

In addition to keeping afloat the luxury restaurant that bears his name, last summer he launched Le Bistrot d'A Côté, right next door to restaurant Michel Rostang. It was

PATRICIA WELLS constant success, and, to date, are filled day and night with folks who love the well-chosen, limited, bistrot fare. New he has added another bistrot, also called Le Bistrot d'A Côté, blocks away on Avenue de

that in the to the new restaurant Michel Rostang chefs forgot to their salt, pepper, spices and herbs.

As one who has not only sampled but also prepared many of Rostang's recipes — namely the chicken liver terrine and chicken with red wine vinegar — I know how wonderful and lively they can be. Yet of some dozen or so dishes sampled at the Villiers branch, not one was distinguished. And it would not have taken much effort at all to transform most of them from banal renditions to reasonably memorable dishes.

Florence

Continued from page 9 using a replica of a staturary group that was mysteriously destroyed, possibly in the barbarian invasions of Rome, and found buried in 1946 by farmers in Cartoceto di Pergola in the Marche region of Italy. The identity of this imperial family group is now the subject of a concerted debate among art historians.

Significantly, the last public protest in Florence was against a new statue.

These are not reproductions, Marini explains. "They are replicas, or better, restitutions of the original, which was destroyed by massive hammer blows." A fellow restorer suggested that the successful experiment was "an analogical speculation on the original, give or take a few centimeters," and that it can be done again.

nightmarishly dark, like a bad dream from the 1950s world of overstained wood and fluorescent lights. Triste with a capital T. But the mood is redeemed by the clientele, a hip, relaxed group of people who are welcoming — in fact embracing — the very concept of the authentic neighborhood café.

On a recent rainy Saturday the café buzzed with a lively, positive tension: Couples lingered, leafing through a supply of weekly magazines and daily newspapers; children in strollers napped as their folks sipped a rosé d'Espagne; singles wandered in and took a stool at the bar, munching on cold omelets or dipping tiny fried specialties into a well-seasoned tartar sauce. In effect, they were "hanging out," in the best sense of the phrase.

As for the food, the idea here is copied from the Spanish, whose native tapas — little snacks — risk becoming as overexposed and as universalized as the Italians' pasta and pizza. But to Nahmias's credit, her Frenchified tapas work well, and come off as a bargain, since most dishes are priced at 25 to 35 francs (\$4.30 to \$6) a plate.

That said, the restaurant is really not comfortable (the hard wooden barrel chairs are not only impossible to sit in, but are dangerously unstable), the portions are much too large for the midget plates on which they are served, and the punkish darkness really does weigh on the atmosphere. What I fear is that — like the restaurant Olympe itself — Le Comptoir will turn into another private club, where the average man on the street will feel totally out of place, thus negating the whole idea of the nouveau corner café.

Continued from page 9

Bronze horses of Venice taken from Constantinople. But that's all. "Bronze was always melted down by enemies to make axes or statues in their own image," says Del Francia. "This is why there is virtually no classical bronze statuary remaining today. By studying these pieces, we see that the Romans had a more sophisticated method of casting than we have now."

To commemorate this milestone, a special stamp of the Branzi da Cartoceto has just been issued. After being seen by more than 60,000 visitors during the winter in Florence, the statues are on exhibition in Pergola before going on to the Museo Nazionale delle Marche in Ancona next month.

APPARENTLY, the museum there didn't want the new gilded bronze replica of the original equestrian statue, says Del Francia. It was allegedly too shiny and at odds with the original fragments, which are partly gray-green from the aging copper content in the bronze.

A Slightly Less Traveled Path in England

by Caroline Seebohm

TO FIND a path less traveled in England is like asking for a country inn along the New Jersey Turnpike, but for the persevering explorer, there are pockets of the country with historical houses and glamorous gardens that are not on every tour-bus route and that have not been written about a thousand times before.

Take the county of Northamptonshire, for instance; regarded by many as merely a way station en route from London to Scotland; or Lincolnshire, a rural outback on the way to nowhere, whose only claim to fame in many people's minds is the color green it apparently inspired. Yet there are surprises in both these often-ignored counties, including some little known treasures of architecture and design.

Lincolnshire is the farther north of the two counties, a region of long winters and brisk east winds blowing in from the coast, as well as unexpected summer warmth. The capital is Lincoln, with a fine cathedral, and an ancient castle built in 1068, two years after the defeat of King Harold by the Normans. During the Civil War between Cromwell's Roundheads and the Royalist Cavaliers from 1640 to 1660, the castle was stormed by the anti-Royalist forces.

But before this intricate strife, an Elizabethan masterpiece was built close by that deserves to be better known. Doddington Hall is five miles (eight kilometers) west of Lincoln, and from it on clear days one can see the cathedral in the distance. The house was designed by Robert Smythson, the Elizabethan architect who produced Wollaton Hall in Nottinghamshire and Hardwick Hall in Derbyshire, two of the great houses in England's Midlands. Smythson's employer was Thomas Tailor, registrar to the Bishop of Lincoln. Doddington was finished by 1600, and today looks almost exactly as it did when the first owner took possession.

It is an Elizabethan house in the grand manner, reflecting the characteristic Elizabethan virtues of confidence and prosperity. Its four-square, outward-facing layout, its many windows (glass was a new invention and a highly favored material with the Elizabethans) and impressive symmetry speak volumes about its period. Yet its facade is simple, austere even, reflecting the flat, uncompromising countryside of this part of northeastern England.

THE Hussey family inherited the house from the Tailors and, through them, the Delavals. Sir John Delaval, clearly an imperious amateur in the field of interior design, installed Georgian paneling, he had no qualms in "adjusting" some of these portraits to fit the new shape of the walls. In the White Hall, for instance, Kneller's painting of Sarah Hussey has been lengthened under Sir John's direction — most of her long brown skirt is a later addition. The fine is quite visible to the naked eye. Today we respectful art lovers would consider this sacrilege. But the present Duchess of Devonshire meticulously sliced in half a portrait of General Monk by Lely in order to install a dumbwaiter from the kitchen to the dining room at Chatsworth.

Doddington Hall is set in some of the oldest gardens in England, five acres all meticulously restored by the owners. Box hedges enclose flagstones, old roses and salvia, with perennial borders and English shrubs lining the walls. There is a wild garden, with fine trees shading Queen Anne's lace, comfrey, herb robert, giant kingcups and other wild plants. Antony Jarvis has firm ideas about design and color. "You can have very strong blues and they

The house is full of furniture and collections that have been passed on through four centuries of continuous habitation without changing family ownership. Portraits of Husseys and Delavals fill the Long Gallery, where Elizabethans were accustomed to show off their pictures, as well as using it for recreation, family lessons and art. Doddington's Long Gallery is a fine example. It is 96 feet long, and as late as 1756 there is a record of its being used for a bowling alley.

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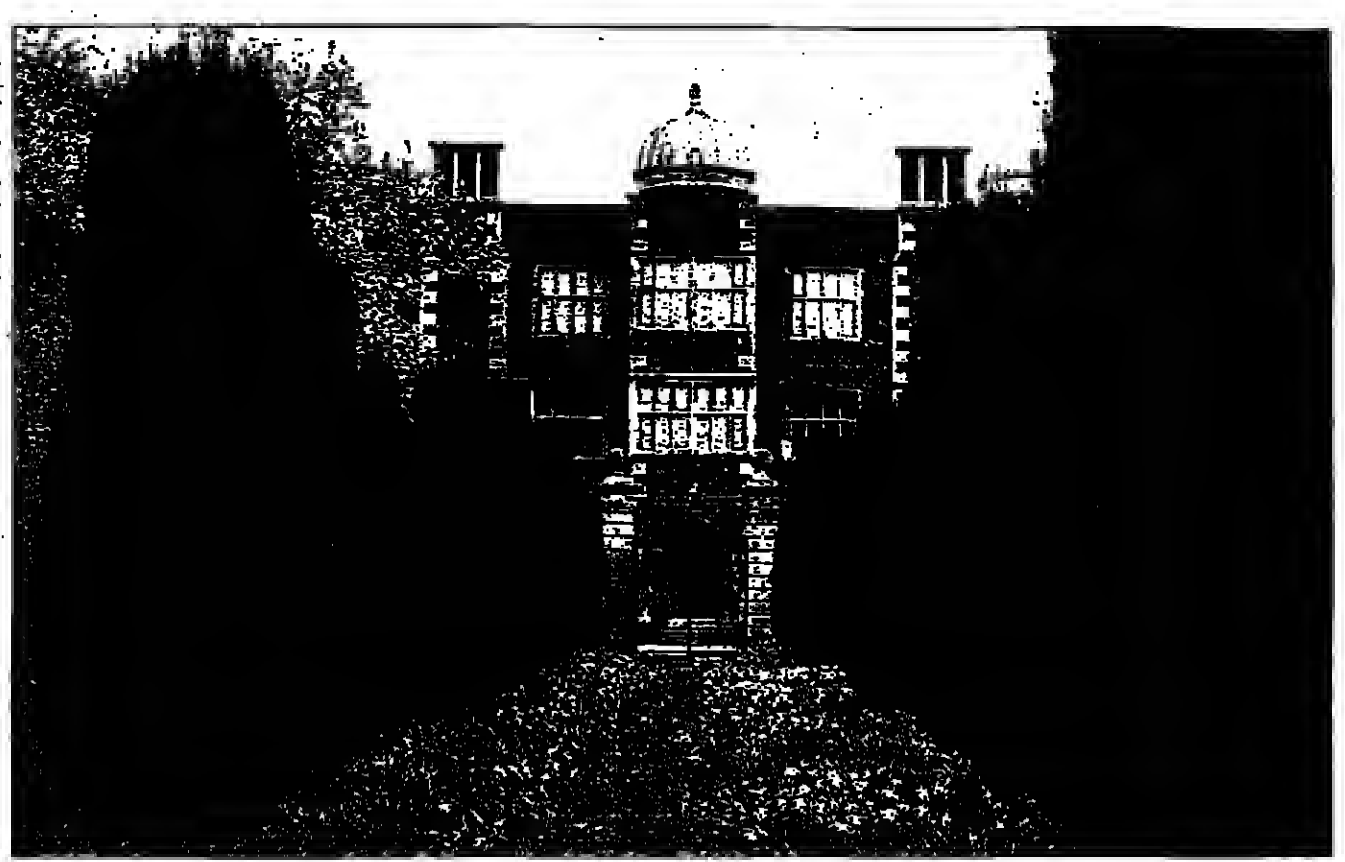
including Althorp, the Princess of Wales's family home, Buryley and Boughton. Averting one's eyes from these grandiose monuments, one may discover an equally beau-



Deene Park in Northamptonshire.

tiful destination, although on a smaller scale — Deene Park, near Corby, home of the Brudenell family since 1514. Overshadowed, perhaps, by its illustrious neighbors, Deene has just as interesting a history as the others, perhaps more so to literary tastes, thanks to Tennyson's famous poem about the Crimean War, "The Charge of the Light Brigade."

Their not to reason why, Theirs but to do and die: Into the valley of Death Rode the six hundred. For leading the gallant Light Brigade to almost certain death was none other than the owner of Deene Park, James Thomas Brudenell (1797-1868), seventh Earl of Cardigan, a courageous but mis-



Doddington Hall, finished in 1600, looks almost exactly as it did then.

guided cavalry brigade commander. And Lord Cardigan's horse on that day was Ronald, a handsome chestnut, transported all those miles from his home in Deene Park to the valleys of the Crimea.

How do we know this? Because Ronald's noble head sits in a glass case at Deene, restored to brilliant life by the taxidermist's skill. Ronald survived that terrible charge, as indeed did his master. Moreover, Lord Cardigan's bravery has been immortalized in several paintings, with his lordship on Ronald's back, sword waving, eyes flashing, the horse prancing proudly. And while many historians feel that Cardigan, along with the other English generals, may have committed an appalling blunder in sending his men "into the mouth of Hell," at the battle of Balaklava, on his return local people presented him, in true feudal spirit, with a scroll, which in part declared, "We the undersigned inhabitants of the County of Northampton beg leave to approach Your Lordship to offer our sincere congratulations on your return to England and to express in the strongest terms our admiration of your heroic conduct at Balaklava . . ."

These items are only part of the fascination of Deene Park, whose splendid rooms indicate the love and attention paid them over 400 years by the Brudenell family.

THE greatness of the house lies in its details. There is the elegant Bow Room, a rosepink library with bookshelves lining the oval walls, and on the table a vast, handwritten catalogue of the Deene library drawn up in 1836 for "The Right Honourable Robert Brudenell, Earl of Cardigan, by his obedient servant, John Harwood Hill." The gracefully curving back staircase, dating to 1600, has wonderful oak treads and bannisters. In one bedroom, the original paneling still exists, a linen scroll design. To the Tudors and Elizabethans, part of the charm of paneling was in its similarity to the carpenter's work — skillful enough, to fabric; and the scroll design in this room is the only known example of what became known as single linen fold.

The paintings are redolent of history and period, including an Elizabethan portrait of Elizabeth, eldest daughter of Sir Thomas Brudenell, and her daughter, Mary, who had 10 sons and 6 daughters — all squeezed into the picture. There are also an inordinate number of paintings of the seventh Earl of Cardigan, a courageous but mis-

four years after his master, on June 28, 1872.

The gardens, like the house, are charming without being excessive. A fine collection of old roses, rare trees and shrubs are some of the pleasures. The house overlooks a lake, which gives an air of serenity to the rose garden and herbaceous borders, and the view of the house from the old stone bridge over the water is as timeless as the surrounding countryside of Northamptonshire, which Sir George Sitwell called "the heart of England."

Caroline Seebohm, an author of several books, including "English Country" (Clarkson Potter), wrote this article for The New York Times.

Caroline Seebohm, an author of several books, including "English Country" (Clarkson Potter), wrote this article for The New York Times.

Japan Inns

Continued from page 9

choices allowed during your visit. Do you freeze or risk setting yourself aflame? If you leave the kerosene heater on all night, you create a fire hazard. But if you shut it off, you must make sure not to get up in the middle of the night. It will be an unbelievably cold walk to and from the toilet — especially if you forget to leave behind the Mickey and Minnie and have to make the trip a second time.

Before you drift off to sleep, the mama-san will have asked what time you want breakfast. You have about as much choice as you did for dinner. And in the morning, while you are still between the blankets, she will storm into the room un-

invited, kicking you out of bed with the tenderness of a drill sergeant. With luck, you will have ordered a toothbrush person who asked for a Western-style breakfast is likely to wind up with eggs over easy that were cooked the night before.

Why subject yourself to all this, you're probably wondering. Because for all the grossing, ryokans are great fun. Besides — trust us — the closets that pass for rooms in Japan's Western-style hotels are infinitely worse.

Chyle Haberman, the Tokyo bureau chief of The Times, and his wife, Kathy Jones, have lived in Japan for several years.



Statues and scaffolding in Loggia dei Lanzi.

allurgica Italiana, which paid for the costly castings, and in the Soprintendenza Archeologica della Toscana, Centro di Restauro, 67 Via Domenico Maria Manni. ("Donatello e il restauro della Giuditta," Palazzo Vecchio, Sala dei Gigli, 9 A.M. to 6 P.M. (except Saturdays) until Oct. 31.) Susan Lumsden writes about the arts from Florence.

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France's Muddled Mandate

THE ELECTIONS At a Glance

April 24: Voting Begins in Presidential Race

President François Mitterrand, the Socialist, and Prime Minister Jacques Chirac, the Gaullist, score highest of nine candidates for president and advance to a run-off.

May 8: Mitterrand Wins

Voters re-elect President Mitterrand with 52.5 percent of the vote, making him the first French president ever to be elected twice by popular vote.

May 10: Rocard Is Named

Jacques Chirac resigns as prime minister. Mr. Mitterrand names to the post Michel Rocard, a Socialist who has led opinion polls as the politician with the broadest national appeal. His task is to form a minority government including non-Socialists to try to secure a working majority in parliament.

May 14: President Calls Legislative Elections

Mr. Rocard says he cannot secure a working majority, and President Mitterrand calls early elections for the National Assembly.

June 5: Voting Begins Anew

In the first round of legislative elections, Socialists appear set to win 310-330 seats in the 577-seat National Assembly. Projections for an alliance of conservative candidates indicate a possible 230-250 seats.

June 12: Socialists Fail To Gain Clear Majority

The Socialist Party gains 70 seats for a total of 276, but falls 13 short of an absolute majority. Conservatives win 271 seats, down 25. Communists win 27, down 8. The National Front keeps 1 of 35 seats.

Fundamental Division Persists Amid New Political Landscape

By Julian Nundy

PARIS—Thirteen months from now, the Paris sky will be lit with the biggest fireworks and laser show that the city has ever seen. That, a climax to ceremonies marking the bicentennial of the French Revolution, and the appearance of the 1988 Beaujolais Nouveau on the third Thursday of November are among the few predictions that can be made with any certainty about France's future over the coming months. For the country has come through one of its strangest political experiences of modern times, one that has confounded the fine tuning of the most adept pundits as a whole new landscape has been fashioned in the space of the past eight weeks. On four separate Sundays, the French went to the polls to elect a new president and a new parliament but the signals that they sent to their leaders were confused and contradictory. After the first round of the presidential elections on April 24, the message seemed clear: while President François Mitterrand was bound for certain re-election to a second seven-year term, he would rule a France where the far-right National Front was in the ascendancy, taking a record 14.4 percent of the vote, as the once influential Communist Party, with less than 7 percent, slipped into oblivion. Seven weeks later, in the second round of the National Assembly elections, the National Front, whose nationwide support had suddenly dropped by 5 percent, was to return only one deputy to Parliament. This situation was largely brought about by a return to the two-round voting system first introduced by Charles de Gaulle when

he founded the Fifth Republic in 1958 under which marginal candidates are eliminated in the first round. In the last elections, in March 1986, voting was by proportional representation, ensuring that even minority parties won seats. The Communists, on the other hand, jumped five points and retained 27 of their outgoing 35 deputies. This figure tipped the balance of power in favor of the left as neither Mr. Mitterrand's Socialists nor the conservatives were able to take an absolute majority. Mr. Mitterrand had dissolved the assembly and called legislative elections in May to secure parliamentary backing for his new prime minister, Michel Rocard, a fellow Socialist and presidential hopeful. Opinion polls had predicted that the Socialists would win a landslide, taking a majority of up to 100 seats over all other parties. The Socialists, nonetheless, became the largest party by winning 276 seats, 13 short of an absolute majority in the 577-seat house, while 271 seats went to the conservative alliance of the Gaullist Rally for the Republic and the center-right Union for French Democracy, a coalition that, in various forms and under different labels, has ruled France for all but five of the past 30 years. If there was a message, it seemed to be that many Frenchmen and women were bored with voting. In the first round of the parliamentary elections on June 5, 34 percent of registered voters abstained, followed by 30 percent a week later in the final round. Both figures were a record. The elections took place against the background of an offer

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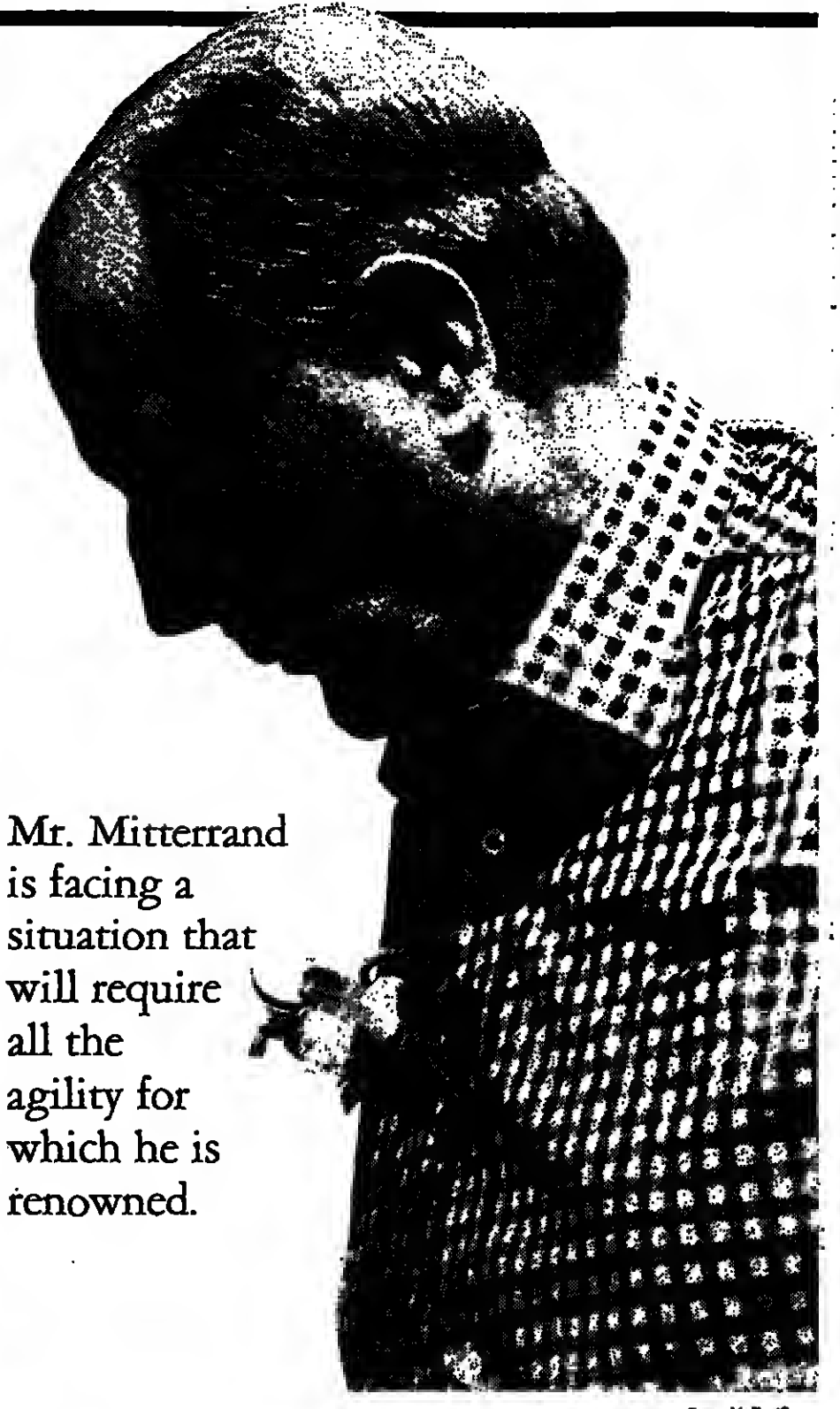
Economy Draws Consensus

By Reginald Dale

PARIS—France's new minority Socialist government will inherit a slow-growing economy that is showing some healthy signs of improvement but still provides little room for dramatic new policy initiatives. There is widespread agreement, among the main political parties and private analysts, over the country's basic economic problems. Growth in recent years has not been fast enough to reduce high levels of unemployment, interest rates have been too high, investment too low and exports need to adapt faster to changing world market conditions.

A reduction in French interest rates "is the top objective of our economic policy," said Pierre Bérégovoy, the new Socialist finance minister appointed immediately after last month's presidential elections. "Money costs too much in France." Before resigning last month, the center-right government of former Prime Minister Jacques Chirac claimed to have made substantial progress in "redressing" the economy in the two years since it took office in 1986. It was bequeathing its successors with rising exports and investment, increased competitiveness, low inflation and a stable franc, it said. But the main lines of the Chirac government's free market policies were in many respects little different from the "neo-lib-

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Mr. Mitterrand is facing a situation that will require all the agility for which he is renowned.

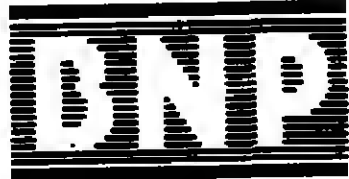
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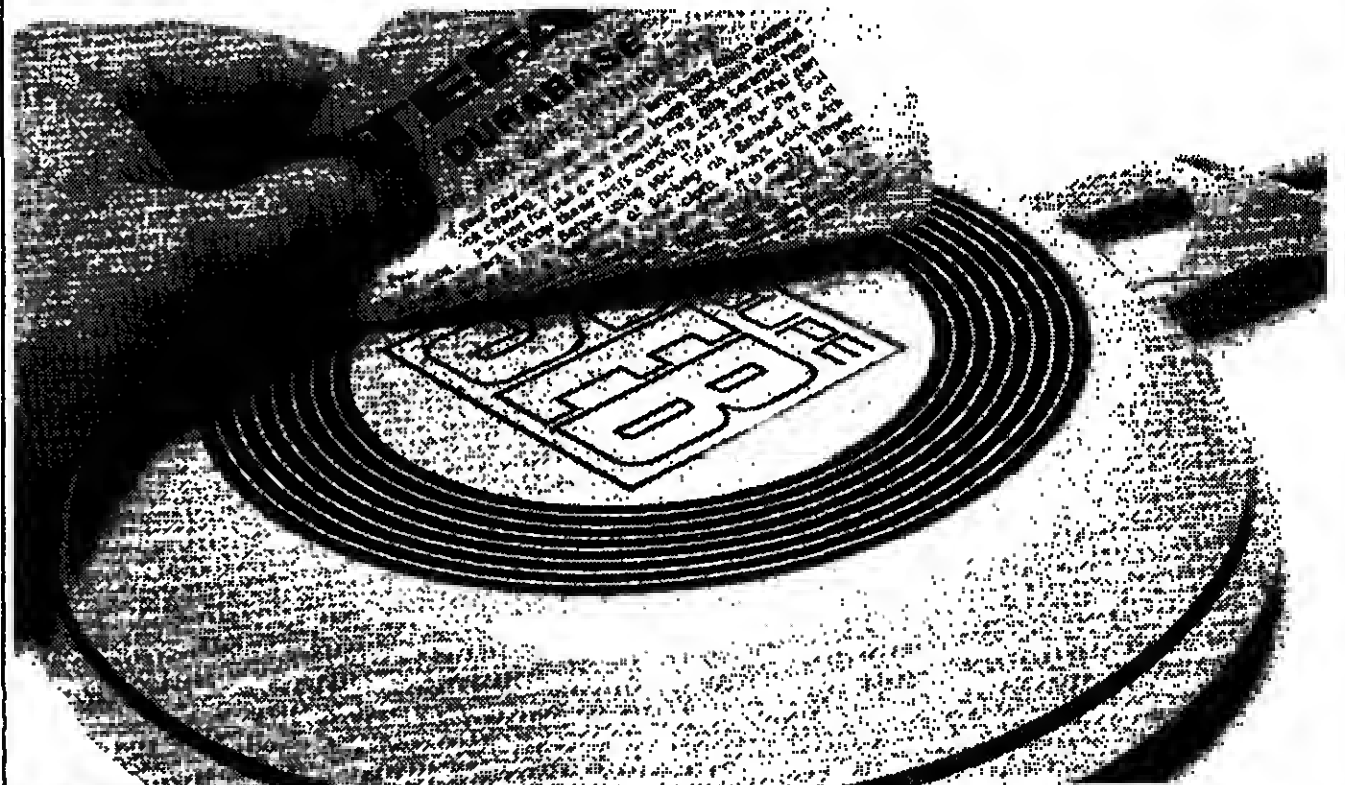
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READERS LAND

Conservatives Apply Lessons in Unification

By Julian Nundy

PARIS — Just three days after France's last round of voting, the Union for French Democracy, an uneasy coalition of center-right parties that is allied with the Gaullists, split as the main centrist grouping affirmed its autonomy.

Some 40 National Assembly deputies of the Center of Social Democrats, headed by Pierre Méhaignerie, a minister in France's last government, decided Wednesday to follow their leader's call to form a separate parliamentary group, a step that will give them more independence in assembly votes and a right to television time during election campaigns.

While Mr. Méhaignerie said he wanted to stay in the Union for French Democracy, an umbrella party founded 10 years ago by then President Valéry Giscard d'Estaing, other leaders of the party made it clear that this was impossible.

Mr. Méhaignerie also insisted that his members would remain in the opposition but many analysts believed that his move was planned to take full opportunity of President François Mitterrand's offer of an opening to the center and would make it easier for his deputies to vote with the Socialists on occasions when they supported government policy.

In political circles, the joke of the week was that the party's French initials, CDS, stood for *Comment Devenir Socialiste*, or How to Become a Socialist.

The decision had been expected by many right-of-center politicians and opened the way for a new party made up of members of the Gaullist Rally for the Republic and of the conservative components of the Union for French Democracy.

The CDS move came after the conservatives received a lesson in unity that many of them argue should be applied quickly to create a new liberal grouping to oppose the Socialists in parliament and in future elections and, eventually, to field a single conservative candidate in the next presidential elections.

The lesson followed an exercise in disunity that eased Mr. Mitterrand's re-election to a second seven-year term.

The first round of the presidential election on April 24, instead of being the opening shot in a battle between a single conservative candidate and Mr. Mitterrand, was, in effect, a primary for the leadership of the right between Jacques Chirac, for the Gaullist Rally for the Republic, and Raymond Barre, for the Union for French Democracy.

And, while Mr. Chirac may have won the primary, his claim to leadership and, eventually, for another try for the presidency were tarnished by Mr. Mitterrand's convincing victory over him in the second round on May 8.

To most observers, the conservatives had all the signs of being finished as a credible force for some time as they hurriedly cobbled together an electoral alliance to fight the National Assembly elections that were called for four weeks later.

Then, despite the fact that their campaigning was lackluster, they were to witness an astonishing reversal in their fortunes. Instead of being trounced ignominiously by the Socialists, as opinion polls had predicted, their joint candidates picked up just over 40 percent of the vote nationwide, 2.5 points ahead of the Socialists, in the first round.

For a few days, it looked as though the two conservative parliamentary parties could even pull off a majority in the new National Assembly, plunging France back into the *cohabitation* from which it had just emerged. In the event, they took 271 seats — now reduced by the centrist defection — to the Socialists' 276.

The change in their fortunes was attributed in part to a massive abstention by 34 percent of voters in the first round and 30 percent in the second, a record in modern France, but also to the fact that they had managed to field joint candidates to fight the left. This rid the elections of the often confusing and damaging spectacle of the past when two candidates in each district vied for the same votes.

This healthy picture of unity, however, became clouded when, in Marseille, the main center-right politician there, Jean-Claude Gaudin, worried by the progress of the far right National Front in his city and by its implications for municipal elections next year, agreed to let conservative candidates stand down to facilitate the election of National Front candidates in his area after Jean-Marie Le Pen, the front's leader, made a similar pledge.

The Marseille accord, which did nothing to save the National Front, was a boon for the left which was able to point an accusing finger at the democratic right.

The joint candidacies in the first round, under the banner of the Union of the Rally and the Center, although hastily arranged, fell within the logic of a plan for the broad-based conservative party that would bring the right wing of the Union for French Democracy together with the Gaullists in an anti-Socialist and anti-National Front grouping.

Talk of forming such a party came into the open early this year, several months before the presidential elections.

It has been dubbed "The Grand Republican Party" by former Culture Minister François Léotard, the general secretary of Mr. Giscard d'Estaing's Republican Party.

In March, shortly after he had written a lengthy article in *Le Monde* in support of a new conservative party, Finance Minister Edouard Balladur, a Gaullist and a senior adviser to Mr. Chirac, was charged by Mr. Chirac with the task of opening talks with Mr. Léotard's party to narrow the gap between the two.

This week, Mr. Balladur said that the new conservative party should be formed within the next six months.

Among the Gaullists, former Interior Minister Charles Pasqua opposes the idea, arguing that Gaullist support has become too middle class and that the Rally for the Republic should try to capture National Front voters by developing a more popular base.



Onlookers size up a day's catch on the docks of Marseille's harbor, which is declining, probably irreversibly.

Marseille: Arena for a Nationwide Showdown

By Henry Tanner

MARSEILLE — The busiest port on the Mediterranean coast is also the most volatile. It is a city of contradictions, where the old and the new, the rich and the poor, the traditional and the modern, exist side by side. It is a city where the past is still very much alive, but where the future is uncertain.

Marseille has an unemployment rate of 14 percent compared with the national average of 11 percent. The port, around which the city's life has been built for 2,500 years, is declining, probably irreversibly.

The huge soulless public housing developments that mushroomed in the outlying neighborhoods 20 years ago have become a town planner's nightmare. Overcrowded primary schools are the despair of parents, and the number of what French politicians call "the new poor" is growing. Social and ethnic tensions are heightened by the large presence of immigrants from North Africa.

Nobody, therefore, was surprised to see Jean-Marie Le Pen and his National Front thriving in Marseille. His appeal is to those who feel disadvantaged and threatened, and his racist rhetoric is tailor-made for the city. In the first round of the presidential election, the National Front won 25 percent of the vote, more than any other party, and came in first in 10 of the city's 14 districts. However, as the front's support fell from 14.4 percent nationally in the presidential elections to below 10 percent in the legislative elections, Mr. Le Pen failed to win election to the National Assembly from Marseille. But his next, more important objective remains the conquest of the Marseille City Hall in municipal elections next spring.

It seems clear that both the far right and the Socialist government have decided to make Marseille the arena for a nationwide showdown, in which the city's particularly explosive mix of problems will serve as a test case for other regions of the country.

Marseille, a member of the city council says, is going through a "double crisis" — the "normal" ills affecting most of industrial Europe combined with the decline of an old maritime city, many of whose installations and traditions have become obsolete.

The city's population has been shrinking for more than 10 years. It was 914,000 in 1976 but dropped to 870,000 in 1982 when the last census was taken. Another estimated 30,000 inhabitants have been lost since the 1960s.

The patterns of maritime traffic have changed. Marseille is no longer the gateway to a colonial empire. The big passenger liners that required services and brought in crowds of customers have been replaced by automated container ships that are gone almost as soon as they have docked.

There were more than 5,000 dockers in the 1960s. Their number is now down to about 800, and dwindling. The principal refitting yards have closed, wiping out scores of subcontractors and thousands of jobs. New industries have settled in the hinterland.

Marseille is a city of blue-collar workers, artisans and small trading firms. The city's leading families, sociologists say, have produced a merchant class but few industrial entrepreneurs and have failed to provide the political and economic leadership that would be needed to revive, or transform, the port.

Marseille is also a city of immigrants. Armenians, Arabs, Jews, Italians and others have come in successive waves for centuries, and "the last ones in have always tried to lock the door behind them," a local politician says.

Among the last arrivals, though not immigrants, are the French settlers who left Algeria when it became independent in 1962. Their accents, both as a language and a state of mind, can often be heard. Many of them are vocal supporters of Mr. Le Pen.

North Africans, notably Algerians, make up the latest wave of immigration and are the largest foreign community — 8.5 percent or about 75,000 persons, a figure that does not include children from immigrant families who were born here and are French citizens.

In addition, sociologists count a floating population of about 100,000 foreigners, mostly

North Africans, for whom no precise statistics exist. Some are visiting for a few days, others are settling down as illegal aliens.

In the city center, the North Africans have taken over the blighted warren-like quarters on both sides of the Canebière, the main street that has seen better days. Tens of thousands of others are crowded into huge high-rise, low-cost buildings in the city's northern suburbs.

Social and ethnic tensions, and some religious ones, have built up around these concentrations. These are the tensions on which Mr. Le Pen and his supporters have been focusing.

For the first time in memory, said Pascal

committee for the National Front. "They don't declare themselves," he said.

He is part of a self-help organization that is licensed by the city to do a wide variety of community work in the schools. Its members act as monitors for sports and cultural activities and as supervisors during meal time. They organize and direct holiday camps.

The greatest need, he said, was to involve the children in the community, to direct their energies and give them something to do. Until a few years ago, the children were left to their own devices. "We were becoming a ghetto, we were sitting on a bomb," he said.

He thinks things are better. There was "verbal violence" between communities, he said, but "no gangs with chains on one side, and no vigilante groups with guns on the other."

One of the city's chief magistrates said that Marseille has the patterns of petty crime of tough big cities. The incidence is highest in the poorest neighborhoods, which is where immigrants are concentrated. Mr. Le Pen's rhetoric notwithstanding, he added, people steal because they are poor and youngsters rampage because they are desperate, not because they belong to one ethnic group or another.

The Socialist city government has been organizing the services of self-help associations, including SOS-Racism, for several years.

Philippe Sanmarco, the councilman responsible for economic affairs, confirmed the magnitude of the problems in the schools and the low-cost housing developments.

At his request a team of private consultants, urbanists and sociologists settled into an apartment in one of the worst housing units for a year and then came up with recommendations for rehabilitation from the inside. The measures include creating smaller apartments for individual families out of larger ones, freeing space for sports and community events, and bringing in professional activities, such as school for courses.

Mr. Sanmarco, now elected to the new National Assembly, would like to end an agreement under which France permits outside teachers, who are paid by the consulates of the three North African countries, to go into the schools and pull out immigrant children for separate Arabic and other lessons. To show that the National Front does not have a monopoly on patriotism, he has ordered that 200-year-old republican motto — Liberty, Equality, Fraternity — be put back on the facades of public schools from which it was removed some time ago.

A leading sociologist is convinced that the city's current racial problems are "the wave of the wave." More and more children of immigrants are being educated and assimilated and are acquiring professional skills.

"The country is always loudst when members of the minority begin to overtake some of the others on the social ladder," he said, adding "four or five years from now we will be talking about this any more."

HENRY TANNER is a Paris-based correspondent for the International Herald Tribune.

Division Amid New Political Landscape

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failed to obtain any formal commitments of support from centrist groups in Parliament, and many analysts doubt that they will for some time to come.

In the meantime, however, the Rocard government has received a grudging pledge from the Communist Party that it will not be the one to bring the government down in a parliamentary no-confidence vote, although it has said it will fight government policies where it does not agree with them.

"We will not play the right's game," André Lajoinie, the Communists' presidential candidate, said after Mr. Mitterrand made a televised address Tuesday in which he promised to continue his search for new partners.

Another development that should ensure the Rocard cabinet a degree of longevity was the creation this week of a separate parliamentary group by some 40 deputies of the Center for Social Democrats.

This center-right party, led by Pierre Méhaignerie, a minister in the last government, was a major component of the Union for French Democracy, whose other leaders put pressure on him not to make this move.

With a separate group, Mr. Méhaignerie, said to be actively encouraged by former Prime Minister Raymond Barre, the centrist's presidential candidate, will find it easier in time to vote independently, although he has promised to remain in "constructive opposition." Many analysts expect centrist deputies to swing behind the government on occasions where Socialist positions are close to theirs.

This picture, in which the Rocard government may pick up votes from the Communists in some parliamentary debates and from centrist groups in others, has been dubbed "variable geometry" by the French press. It is expected

to guarantee the government's survival through the fall and until new alliances can be struck.

Mr. Rocard will present his new government's program to the National Assembly next Thursday.

His first real parliamentary test probably will come after the summer vacations when he will try to reintroduce a controversial wealth tax, that will affect about 100,000 people, for in force under the last Socialist government.

For the centrist, Mr. Méhaignerie has already said that an allied measure, a minimum subsistence payment to the long-term unemployed that would be financed by the tax, will get centrist support provided that it is tied to some form of community service and is not merely a handout.

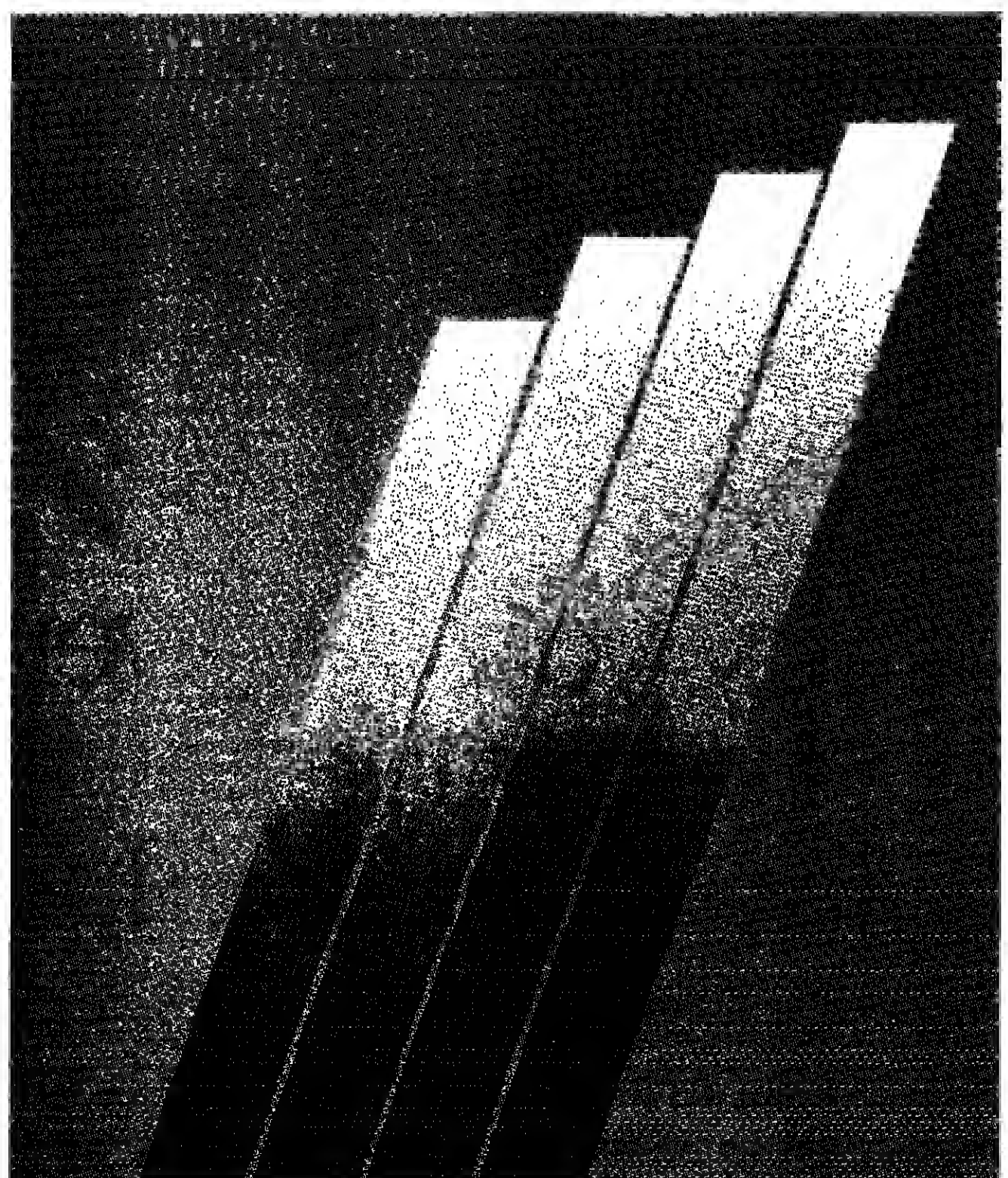
Thus, he has publicly offered possible parameters for the new measure, a process that many expect to become a common feature of French politics in the months to come.

For Mr. Mitterrand himself, the situation presents him with a new opportunity to use all the agility for which he is renowned to bring the country and his political rivals around to his point of view.

In his televised address, in which he drew key phrases from some of Mr. Barre's recent statements, Mr. Mitterrand said that Mr. Rocard would work on legislation that was designed to attract support from others in Parliament.

Putting the onus on his rivals for the government's success, he added: "We will see clearly then who is and who is not prepared to grasp this outstretched hand."

JULIAN NUNDY is on the staff of the International Herald Tribune.



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Economy Drawing Consensus

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due to be ushered in at the end of 1992. In a televised address to the nation this week, Mr. Mitterrand reiterated his view that top priorities for France were education, investment, and said French industry had been modernized to help combat the unemployment problem. It was not a pronouncement which most of his political opponents would dissent.

Despite broad similarities of approach largely shared by the major economic policy as an issue both in the 1981 presidential elections and in the 1986 legislative voting that followed.

Analysts accordingly believe that the government intends to head off in a radical new direction, particularly as Mr. Mitterrand made it clear this week that he will be looking for ad hoc support from the centrist bloc to pass major parliamentary legislation.

Despite markets' traditional distaste for political uncertainty, the immediate verdict of French and foreign investors to the latest episode of the polls has been a cautious attitude of wait-and-see.

But it is not only for political reasons that the new policy departures appear unlikely. Most analysts agree that any French government would nowadays face economic constraints that place strict limits on its freedom of maneuver.

The foremost of these in recent years has been the discipline imposed by France's membership of the European Monetary System's tightly floating exchange rate mechanism. By linking the franc to the Deutsche mark, the stem's strongest currency, France has effectively relinquished some control over its national economy to the West German authorities, whose top priority is not to stimulate growth but to curb inflation.

A number of French politicians and economists would prefer to go for faster growth, particularly to tackle the country's obstinate unemployment, by substantially lowering French interest rates. But that could exacerbate the country's trade and current account deficits and risk a run on the franc.

The dilemma was underlined earlier this month by the Paris-based Organization for Economic Cooperation and Development in its latest economic outlook.

"The continuing current account deficit and the objective of maintaining the parity of the franc within the EMS limit the scope for narrowing the interest rate differential with France's main partners — even though a reduction of real interest rates would reinforce a recovery of investment, which is needed to improve competitiveness," the OECD said.

France, along with other EMS members, was spared to accept the system's discipline as long as the prime task was to combat inflation. In French inflation is now down to an annual rate of 2.5 percent, against West Germany's 1 percent — the closest France has come to the German level in 14 years.



Traders in a hectic session on the Paris Bourse.

Mr. Bérégovoy told the OECD ministerial meeting in Paris last month that the conquest of inflation remained the key to maintaining France's competitive position and improving wage-earners' purchasing power. "The time has not come to relax our efforts in the fight against inflation," he said.

But boosting growth is beginning to seem to many a more important priority than further squeezing inflation. And a number of analysts expect the Socialist government to follow rather more expansionary policies.

This year's 2 percent French growth rate forecast by the OECD last week, while higher than originally expected, would still be the lowest of the seven leading Western industrialized countries — just below the 2.25 percent predicted for West Germany. In 1989, both countries will slip back to 1.75 percent, according to the organization's latest economic outlook.

That estimate, however, is regarded as much too pessimistic by a number of French economists, who argue that the country's growth rate could reach between 2.5 percent and 3 percent this year. Unnoticed by many observers, they say, France last year finally entered a period of stronger growth, fueled by rising exports and investment, which continued in the first quarter of 1988.

THAT could finally signal the end of the "crisis" in the French economy, which has lasted for more than a decade, and the start of significant new job creation, the optimists say.

The OECD, on the other hand, warned that growth along the lines it predicted "would clearly be insufficient to absorb the expected increase in the supply of labor." If no new measures are introduced, it said, unemployment will probably begin to rise again, possibly to as high as 11.5 percent of the labor force by the end of next year. The current rate is just below the EC average of about 11 percent.

The trade deficit shot up to \$9.2 billion last year, from \$1.9 billion in 1986, plunging the current account \$4.5 billion into the red. But "the deterioration in the trade position, which occurred last year should not be repeated in 1988," according to a report this month by the Bankers Trust Company.

Positive signs were falling oil prices, a slowing pace of imports and the favorable outlook for French unit labor costs this year, particu-

larly compared with Germany, Bankers Trust said.

"More importantly, the considerable competitiveness gains, which have been made against other European countries since 1985 should allow France to claw back some of the market share it lost over the last two years."

The same point was made by the outgoing Chirac government last month. "Our competitiveness measured in terms of unit wage costs, taking exchange rates into account, has improved by more than 15 percent against Germany over the last two years," the Finance Ministry said.

The question now preoccupying many economists is whether the new government will feel that a devaluation of the franc against the mark (which also will be revalued) sometime this year, but probably by not more than a combined 5 percent," according to J. Paul Horne, Smith Barney's Paris-based international economist.

Private analysts, however, are divided over whether there will be a realignment of EMS exchange rates in the months ahead. "The franc almost certainly will be devalued against the mark (which also will be revalued) sometime this year, but probably by not more than a combined 5 percent," according to J. Paul Horne, Smith Barney's Paris-based international economist.

In recent months there has been continuing speculation on foreign exchange markets that the elections would be followed by a franc devaluation that would both boost French exports and allow the new government to reduce interest rates.

That view is no longer unanimously shared. Thanks to low inflation, an improving trade performance and the recent competitiveness gains, "a devaluation of the French franc within the EMS is very unlikely," says Bankers Trust.

Other economists also believe that Mr. Bérégovoy may see maintenance of the franc's parity as a key weapon in his fight against inflation. With EMS exchange rates no longer strained by a falling dollar, the franc surprisingly stable and export prospects brightening, the new French government may be under less pressure than was once expected.

REGINALD DALE is the International Herald Tribune's economics correspondent.

Jobless Rate Is Ratcheting Upward

By Brigid Phillips

PARIS — France has an unemployment rate that is among the worst in the West and there are no signs of early improvement.

The unemployment rate has ratcheted upward for the past 15 years, reaching 10.7 percent by last summer.

It seemed last autumn that the jobless rate would finally fall. But revised estimates of the French economy reversed hopes that France could start creating enough new jobs to compensate for positions that have been eliminated in inefficient industries.

Unemployment now stands at 11 percent of the labor force. Shortly after taking office last month, the Socialist government declared that unemployment would get worse before it gets better.

That forecast is shared by the Organization for Economic Cooperation and Development, which analyzes and coordinates economic policy for 24 Western governments. OECD economists recently predicted a meager economic growth rate for France of less than 2 percent next year, well behind its trading partners and too low to stimulate job creation. As a result, unemployment should hit 11.5 percent by the end of 1989.

The average length of time out of work is increasing, and 45 percent of France's jobless are long-term unemployed, who have looked for work for at least one year.

But only part of the problem is an economy that is growing at a rate lower than any other of the

seven biggest OECD countries. France is also saddled with a particularly high level of newcomers to the labor force. About 180,000 jobs have to be created each year to account for women, young people and others who are entering the job market.

France also puts heavy charges on employers that create inflexibility in the labor market. All are elements that contribute to what looks like a persistently high jobless rate for at least the next 18 months.

With such grim prospects, unemployment has become a hot political issue in France. In the recent presidential and legislative election campaigns, politicians set unemployment as a top priority. Yet, neither candidates of the left nor the right proposed a new formula to bolster employment.

Rather, when Prime Minister Michel Rocard took office, he immediately denounced the efforts of his conservative predecessors.

He charged that the government of Jacques Chirac had doctored the unemployment rate by enrolling the jobless on short-term training programs that are winding up now. After two years of Mr. Chirac's government, the Socialist Party says it returned to office to find the budget allocation for retraining schemes depleted.

And, they say, 68,000 jobless people are due to finish government training over the next three months and will be counted anew in the ranks of unemployed.

The combination of graduates from government training programs who will now need jobs, plus new job seekers, according to Mr. Rocard's social affairs minister, Michel Delebarre, will result in 250,000 more unemployed by September.

Mr. Delebarre originated some of the government-sponsored training to ease unemployment — especially among the young — in 1984 when he served under the

previous Socialist government. Although he is critical of the handling of the training program during the two years of Mr. Chirac's government, he apparently views training as the principal solution to France's unemployment.

The new government has plans to tailor a new training program more closely to the needs of its main target groups — the long-term unemployed, the young and women, the main newcomers to the ranks of job-seekers.

When the Socialist Party came to power under François Mitterrand's first mandate in 1981, it promised to keep unemployment under 2 million. With unemployment at 2.6 million, the question most economists are asking now is how long it will take to reach the 3-million mark. Most predict that it will be crossed within the next two years.

BRIGID PHILLIPS is a journalist based in Paris.

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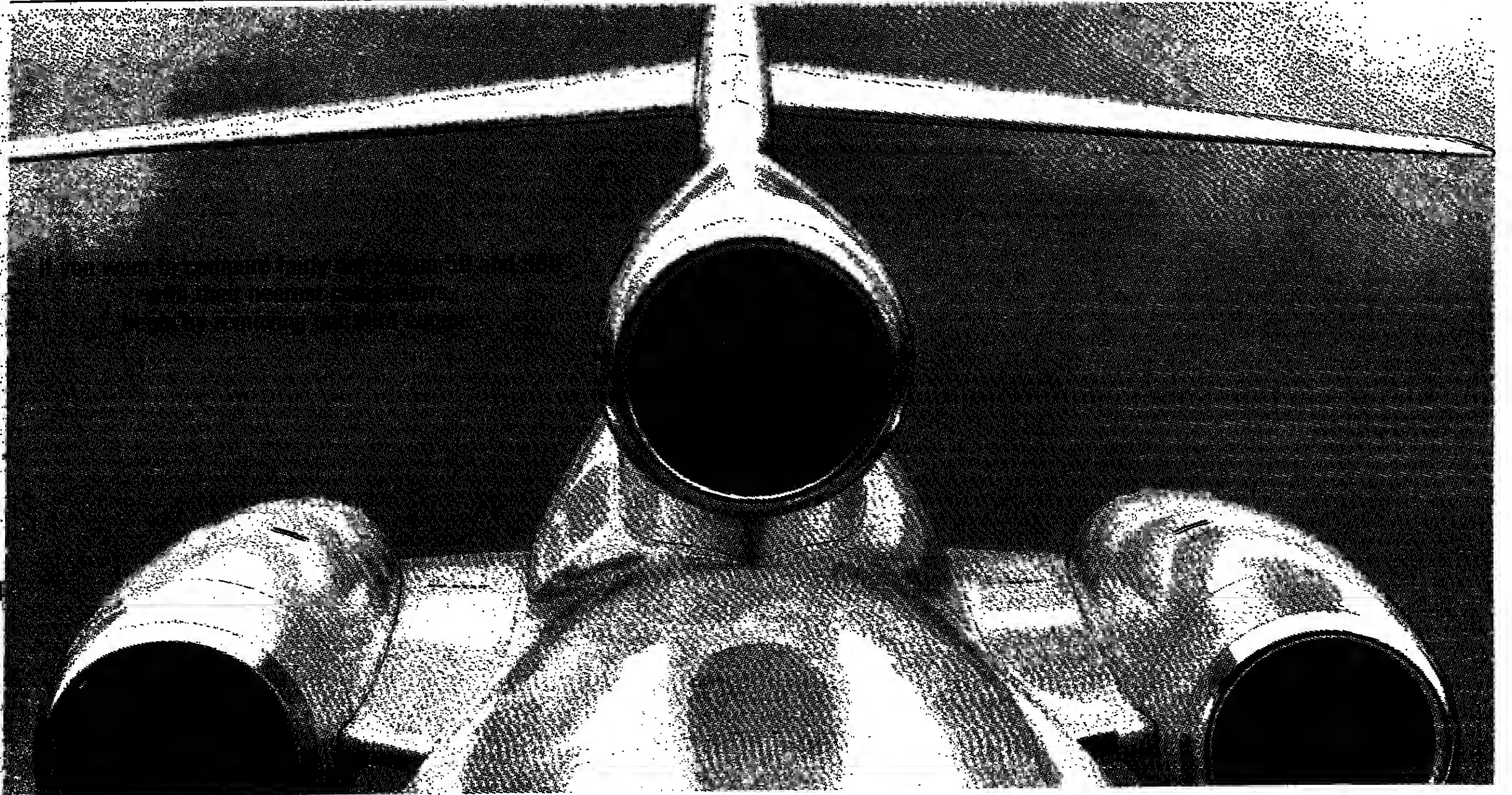
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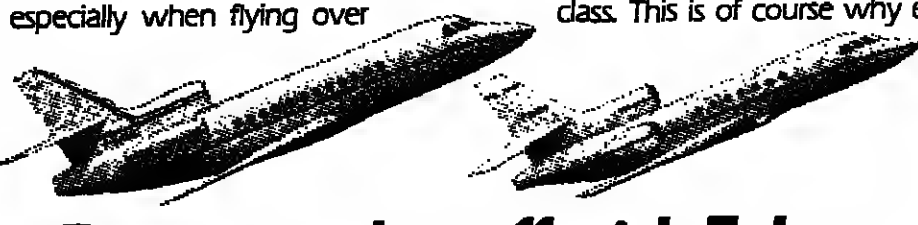
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Business takes off with Falcon

WALL STREET WATCH

Experts Say Dow Chemical Has Hit on the Right Mix

By PHILIP E. ROSS

NEW YORK — Dow Chemical Co. is earning more than ever from a business that is more evenly balanced than ever.

Dow Chemical's shares closed at \$89.875 Wednesday, off 12.5 cents, on the New York Stock Exchange.

Analysts believe that Dow's stock is underpriced because investors have an automatic aversion to a company in a cyclical industry that is at a peak.

Nearly half its sales are in specialty chemicals and plastics, less affected by a slump.

The market is afraid of 1989, and people don't understand chemicals, said Mary O'Neill, a chemical industry analyst for Duff & Phelps.

Part of the recent increase in demand is domestic. But most of it stems from exports, which are soaring at the expense of European competitors.

TO STRENGTHEN its position abroad, Dow announced last month that it intended to increase its holding in Montedison SpA, the Italian chemicals giant.

"Dow's doing even better than the industry," said John Henry, an analyst for Merrill Lynch & Co.

"They've been increasing their earnings estimates all year long. They should substantially outperform the market," he said.

Analysts say that Dow has built a good balance into its business since the 1982 recession, both in the products it sells and the countries in which it makes them.

The company has nearly achieved its goal of deriving half its revenue from specialty chemicals and plastics, highly differentiated products whose prices, unlike those of commodities, do not suffer in a slump.

These products range from supermarket goods familiar to Americans, such as Saran Wrap, the liquid cleanser Fantastik, and Ziploc plastic food bags.

Dow continues to invest disproportionately in specialty products, but the current boom in commodities is masking the importance of the growth of specialty products to the bottom line.

In 1987, specialties accounted for 34 percent of operating revenue.

See WATCH, Page 19

Schneider Prevails In Offer

Bourse Clears Bid For Telemecanique

PARIS — Schneider SA appeared Thursday to have won its four-month campaign for control of the robot maker Telemecanique SA.

The offer approved by the Paris Bourse gives Telemecanique an indicated value of 7.85 billion to 8.64 billion French francs (\$1.33 billion to \$1.46 billion).

Shortly after the Bourse approved the offer, Jacques Valla, chairman of Telemecanique, and Didier Fineau-Valencienne, head of Schneider, met to discuss "the harmonious entry of Telemecanique into the Schneider group," according to a joint statement.

The apparent victory by Schneider would prevail over a friendly bid by Framatome SA and a possible buyout by Telemecanique managers and employees.

Framatome, a nuclear power plant maker, is 40 percent owned by Compagnie Generale d'Electricite SA.

Telemecanique shares, currently suspended on the Bourse, were last quoted at 5,505 francs on March 1.

Negotiations between Framatome, which offered 4,500 francs per share, and Schneider broke down at the end of last month.

Schneider's stock fell 12.90 francs to 327.00 francs on the Bourse. Market participants said the takeover would be costly for the company.

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See SCHNEIDER, Page 19

Out of Eurobonds and Into Mergers

Goldman Leads Switch by U.S. Banks in Britain

By Steve Lohr

LONDON — Signs of the times in London: A New York investment bank, Goldman Sachs & Co., is the leading financial adviser so far this year on British takeovers, a field once thought to be the bailiwick of London's merchant banks.

Yet Goldman Sachs, along with other major U.S. investment banks like Morgan Stanley & Co. and Salomon Brothers Inc., are well out of the ranks of the top 10 underwriters of Eurobonds.

These two shifts reflect the strategic adjustment under way in the big London offices of Wall Street's leading investment banks since the October market collapse.

Volume has fallen, the markets are suddenly crowded with dealers and foreign investors are skittish about holding dollars. Fighting for a share of the international capital markets against the Japanese and others no longer seems a profitable formula for most U.S. securities houses.

Instead, the drift is now toward fee-earning corporate finance activities. Advising clients on corporate takeovers is the leading example.

Cost-cutting was the first reaction to the sharp slowdown in business in the months after the October market upset, and the burgeoning London units were obvious candidates.

The London offices of major Wall Street investment banks had typically tripled or quadrupled in size over the past four years, so the staff cuts ranged up to more than 10 percent of the total payroll.

Some of the most dramatic changes have been at the top. Most of the big investment banks have undergone top-level resignations in their London units or dispatched senior executives from New York, including Salomon Brothers, Morgan Stanley, Merrill Lynch and Shearson Lehman Hutton.

Yet despite cutbacks, investment bankers say they remain committed to the concept of retaining an integrated operation in all the major capital markets in London.

"We have not dropped any of our businesses or pulled out of any markets," said Stanislas Yassokovich, chairman of Merrill Lynch Europe Ltd., whose London staff has been trimmed more than 10 percent to 1,400 since early this year.

Even though cost control is in vogue within investment banks, there is a discernible reluctance on the part of senior executives to get carried away with cutbacks for fear of permanently damaging their competitive position.

"You can't be on the periphery of a business," said Charles McVeigh 3d, managing director of Salomon Brothers International Ltd. in London.

This reasoning rests on the crucial assumption that the sharp fall in trading activity in securities and the return by investors to their home markets after the October downturn is a temporary phenomenon.

"I don't see the events of the past year bringing a sea change for these firms internationally," said Samuel Hayes 3d, professor of investment banking at the Harvard Business School.

They were enormously overextended, having grown incredibly in London. So there was a lot of fat there — and there's more left to go.

But the forces of technology, deregulation and the internationalization of business generally are changing the position.

See GOLDMAN, Page 19

Financial Advisers in UK Public Takeovers

Number of deals during the first quarter of 1988, and their value in billions of pounds sterling. (£1 = \$1.80).

Table with 3 columns: Firm Name, Number of deals, Value of deals. Includes Goldman Sachs International, Morgan Grenfell, Shearson Lehman Hutton International, Kleinwort Benson, Schroders, N.M. Rothschild, Lazard Brothers, Lazard Freres, S.G. Warburg, Samuel Montagu.

Leading Managers on International Equity Issues

Value of major issues in 1988, through the first week in June, in millions of US dollars.

Table with 3 columns: Firm Name, Number of issues, Value of issues. Includes Goldman Sachs International, Drexel Burnham Lambert, Shearson Lehman Hutton International, Deutsche Bank, Nomura.

GATT Panel To Investigate EC Subsidies

GENEVA — The General Agreement on Tariffs and Trade, deciding Thursday to appoint a dispute panel to investigate a U.S. complaint that certain European Community farm subsidies violate free trade rules.

The panel will examine allegations that EC subsidies on oilseeds violate GATT regulations and are directly responsible for a substantial decline in U.S. soybean exports to Europe.

The decision by the 96-nation trade organization represented a victory for the Reagan administration, which has been pressing the EC to set a specific timetable for the elimination of all farm subsidies.

Tensions between the two sides have sharpened since June 6, when the 12-nation trading bloc and Washington failed in talks to resolve their conflict on oilseeds.

According to a senior delegate, GATT overrode objections from France in setting up the dispute panel Thursday, although such bodies normally are established by consensus of the parties involved.

France is the EC's leading agricultural producer. In a heated procedural debate, the French envoy to GATT, Jean-Francois Boivin, said the issue was too important to submit to a dispute panel and insisted there was no consensus.

But Tran Van-Think, the EC ambassador to GATT, agreed to the proposed panel. GATT ruled that under past practice, all EC members could be bound to his decision.

Mr. Tran added, however, that he believed it would be a mistake to use such a forum to resolve a policy affecting the livelihood of 11 million EC farmers.

The EC envoy said that such issues should be negotiated in the current four-year "Uruguay round" of GATT talks, which are generally aimed at reducing trade distortions worldwide.

An EC delegate said the community probably would respond to the latest U.S. maneuver by requesting that a GATT dispute panel investi-

gate American import restrictions on sugar, dairy products, beef and peanuts.

Under an export enhancement program launched in 1985, the United States offers bonuses in the form of surplus government commodities to companies reaching agreements with overseas buyers.

U.K. Reports Doubling of Trade Deficit

LONDON — The deficit in Britain's current account doubled to £2.8 billion (\$5 billion) in the first quarter, reflecting wider deficits in merchandise trade and travel, the government said Thursday.

The deficit compared with a £1.4 billion shortfall in the final quarter of 1987, revised upward, and a surplus of £975 million in the first quarter of last year, the Central Statistics Office said.

In addition to measuring merchandise trade, current account includes "invisibles" such as financial services and tourism.

The nation's deficit in the trade of goods widened to £4 billion in the first quarter, from deficits of £3 billion in the fourth quarter of 1987 and £1.2 billion a year earlier.

Invisible trade was in surplus by £1.2 billion in the first quarter, but that represented a decline from surpluses of £1.6 billion in the previous quarter and £2.2 billion a year earlier.

The chancellor of the Exchequer, Nigel Lawson, said it was likely his forecast for 1988's current account deficit would need to be revised upwards.

The government had forecast a £4 billion deficit. In other economic data, the unemployment rate fell to 8.7 percent last month from 8.8 percent in April.

U.S. Perspective on EC Is Limited, Survey Finds

Few Aware Of Single-Market Plan

By Barry James

PARIS — Only one in five U.S. "opinion leaders" is aware that the European Community plans to become a single market, 30 percent bigger than that of the United States, by the end of 1992, according to a recent survey.

The most serious implication for the United States is that American leaders in business and government are evaluating the business climate of Europe on the basis of a fragmented and obsolete perspective,

said a report released with the survey, which was commissioned by Adams & Rinehart Inc., a corporate and financial public relations firm in New York.

"American business executives need to become better informed about the profound changes that will soon transform the EC, the report said. "Equally important, they will need to explain these changes to the investors and government policy makers who affect their ability to compete effectively in a rapidly changing world economy."

George Sard, president of Adams & Rinehart, said: "Frankly, we found it shocking that the single most important subject in the European Community has such a low level of awareness among the people here who ought to know it."

"And if only 20 percent of this group know, you can only guess what percentage of the general public is aware of the change," he added in a telephone interview.

The questions about the EC formed part of a broad survey on the economy and business. Those polled included 100 business and financial executives, 100 federal and state legislators, 100 federal and state officials, 100 representatives of national and local media and 100 representatives of economic-interest groups or universities.

Of the business leaders, 36 said they had at least heard of the single-market proposal, compared with 22 percent for the whole sample.

But almost all of those surveyed said it was likely that U.S. companies would intensify their marketing efforts in Europe over the next four years. And nearly two out of three said they thought U.S. companies would attempt to acquire or merge with European companies.

Jonathan Rinehart, chairman of Adams & Rinehart, said the survey indicated that U.S. companies that are changing their strategies to adjust to the advent of a unified market of 320 million consumers "face a big challenge in the United States because they will be making major investments for reasons that are little understood."

In response to a question about which European countries offered the best prospects for U.S. companies, the replies were: West Germany, 36 percent; Britain, 16 percent; France, 11 percent; Spain, 7 percent and Italy, 3 percent.

The report said Europeans might be dissuaded by U.S. ignorance about the EC's growing potential, but added, "Those who successfully communicate the increased opportunities for trans-Atlantic trade to U.S. leaders are likely to generate significant American business from the creation of a single European market."

See U.S. PERSPECTIVE, Page 19

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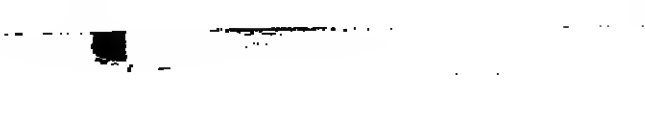
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Currency Rates

Table of currency rates for various countries including Japan, West Germany, France, Italy, Switzerland, etc. Columns include currency type and rate.

Interest Rates

Table of interest rates for various currencies and terms, including 30-day, 60-day, 90-day, and 1-year rates.

Asian Dollar Deposits

Table of Asian dollar deposits for 1 month, 3 months, 6 months, and 1 year terms.

U.S. Money Market Funds

Table of U.S. money market funds including Merrill Lynch Money Assets and Teletrust Interest Rate Index.

Gold

Table of gold prices for various locations including New York, London, and Zurich.

A large advertisement for American Express Bank. It features the text 'PRIVATE BANKING WITH A SWISS OPTION' and 'AMERICAN EXPRESS BANK'. Below the text is a photograph of a man and a woman in a professional setting. The ad emphasizes growth opportunities worldwide, discretion, and exceptional service in private banking.

Dollar Falls in N.Y. on Profit-Taking, Rate Fears

NEW YORK — The dollar ended lower Thursday in New York, failing to break out of a narrow trading range after a two-day advance.

Pressure came from profit-taking, speculation that foreign interest rates would rise and the market's fear of intervention by central banks, particularly the Bundesbank.

Dealers in Frankfurt said the Bundesbank intervened at least once for the third straight day with a reported dollar sale of \$8.2 million.

Axel Coym, a foreign exchange analyst at Westpac Banking Corp., said, "People are looking to move into yen and out of marks."

The dollar closed at 1.7503 DM, down from 1.7543 DM on Wednesday, and at 125.55 yen, down from 126.325.

London Dollar Rates

Table with columns: Country, Unit, Rate. Includes Deutsche mark, French franc, Japanese yen, Swiss franc, and French franc.

French francs from 5.9125. The British pound edged up to \$1.7915 from \$1.787.

The dollar ended mixed earlier in Europe, firming against the mark despite intervention by the Bundesbank.

"It's a weak mark," said one U.S. bank trader, who reported heavy buying of yen in Europe. A British bank trader noted that "the market just wants to take the dollar higher."

The dollar closed in London at 1.7535 DM, up from 1.7520 on Wednesday. But it eased to 125.65 yen from 126.25 and to 1.4605 Swiss francs from 1.4660.

The pound edged down to \$1.7860 from \$1.7865. Although it began both the New

York and London sessions lower, the dollar regained some ground because of the market's underlying bullishness, aided by positive remarks on exchange rates by the U.S. Treasury secretary, James A. Baker 3d.

"It seems the dollar has become well bid with Baker's remarks," a currency market analyst said at one point.

The dollar began the session lower, hurt by profit-taking by Japanese exporters, Bundesbank dollar sales and speculation that short-term interest rates in West Germany and Japan would soon rise, dealers said.

The Bundesbank sold dollars for marks on the open market when the U.S. currency was trading just below 1.75, dealers in Europe said.

Meanwhile, an article in the Handelsblatt daily business newspaper stated that the Bundesbank would raise the rate at which it allocates funds to the money market to 3.5 percent from 3.25 percent.

The Bundesbank said it would remain flexible in setting the terms

Shell, Petrofina Sign Pact To Seek Oil Off Vietnam

HANOI — Vietnam signed a \$70 million oil exploration contract Thursday with Royal Dutch/Shell Group and Petrofina SA, the first offshore arrangement concluded with Western companies since the country was unified in 1975.

The 25-year contract, which involves three exploration blocks in the South China Sea, was also the first major deal signed with Western concern since Vietnam's foreign investment code was adopted in December.

"The consortium is committed to spend \$70 million during the first five years of the exploration period," a statement from the government affiliate Petro-Vietnam said.

Douglas Wayne Elenor, managing director of Shell Exploration, said his company planned to set up a company called Shell Exploration and Production Vietnam in Ho Chi Minh City, headed by the Anglo-Dutch company's current representative in Bangladesh, Thomas Duers.

The consortium is responsible for all investments during the exploration period and industry sources said operations could begin as early as next month.

"In case of commercial discovery, the consortium shall make further capital and technology available," the Petro-Vietnam statement said.

Petrofina of Belgium and Shell have been negotiating for blocks 12, 14 and 16 off Da Nang, in central Vietnam, for about four years. The exploration field measures about 15,000 square kilometers (5,700 square miles).

On May 19, Petro-Vietnam signed an exploration contract with the Oil and Natural Gas Commission of India for three blocks off southern Vietnam. Sources said the commission is to invest \$20 million dollars for exploration.

The Soviet Union was previously the only country to maintain oil technicians in Vietnam. It operates through Vietsoviet, a Vietnamese-Soviet joint venture.

TEXACO: Saudis Set Venture

(Continued from page 1) Saudi Arabia has set up a joint venture with Texaco to produce oil in the kingdom.

State-run Kuwait Petroleum Corp. acquired refining and marketing interests from Gulf Oil Co. in the Netherlands, Belgium, Luxembourg, Sweden, Denmark and Italy in 1983 and 1984. It operates under the brand name Q8. The Kuwait Investment Office, a state agency, also owns about one-fifth of British Petroleum Co.

Venezuela has two U.S. joint ventures, established in 1986 and 1987. One is a refinery operation with Champlain Petroleum Co. and the other is Citgo, which is half-owned by Southland Corp. The country also has refining interests in West Germany and Sweden.

Texaco, the third-largest U.S. oil company, has been an operating partner of the Arabian American Oil Co. since it was established in the 1930s. Saudi Arabia has acquired the company from its four former owners, Texaco, Exxon Corp., Mobil Corp. and Chevron Corp., but they still provide management and technical assistance.

"Texaco is the natural partner for Saudi Arabia because of the company's know-how experience in the refining industry in addition to the trained workers and laborers it has and its historic relationship with the kingdom," Mr. Nazer was quoted as saying by the official Saudi Press Agency.

Philip Verleger, senior oil economist with the Institute for International Economics in Washington, said the move was of strategic importance to Saudi Arabia.

"It assures the Saudis that they can count on a relatively stable flow of income from part of their oil exports," he said.

"With the continuing expansion of the U.S. economy, U.S. refining and marketing profit margins are looking strong and over the next few years will look very strong indeed, particularly in gasoline sales during the summer months," he said.

Guy Bishop, an analyst with

asked not to be identified as a member of the Reagan administration had previously been a member of the Reagan administration. He said Saudi motivations for the transaction were threefold.

"The government wanted to add value added for its crude and wanted to go downstream to be assured of a sufficient base revenue of crude sales in light of OPEC price uncertainty," he said.

"Second," he said, "it has seen what Kuwait has done downstream in Europe and was impressed as finally, the Saudis are fed up to their gills with cheating within OPEC."

The Saudi source said the kingdom was likely to establish joint ventures in Europe and the Far East within two or three years.

Besides its restructuring, some of the proceeds from Texaco's sale are to finance a \$3 billion out-of-court settlement with Pennzoil Co. that ended a legal dispute over ownership of Getty Oil Co.

Texaco shareholders are to vote Friday at the company's annual meeting in Tulsa, Oklahoma, on whether to support Mr. Ichni's proxy battle to obtain five seats of Texaco's 14 member-board.

Mr. Ichni has offered \$60 a share in Texaco, valuing the group at \$14 billion, in what is a record bid for U.S. companies.

Peter Marnett, a Texaco spokesman who is in Tulsa, said the deal was probably worth \$2 billion to Texaco when you include the \$800 million from the sale of physical assets, plus the release of inventory which produces cash and then the added reduction in working capital.

Argentina Said to Consider Suspending Debt Payments

BUENOS AIRES — Argentina may halt foreign debt payments if creditors do not provide new loans, Economy Ministry sources say.

Argentina wants \$1.5 billion in loans from commercial banks and \$1.2 billion from the International Monetary Fund to help pay \$4.9 billion annual debt-servicing costs on its \$56 billion foreign debt.

In New York, stocks in U.S. banks said on reports that loans to Argentina would be put on a non-accrual basis, meaning payments would not be credited until received. Wells Fargo & Co. reportedly has begun putting \$125 million of loans on a cash basis.

Wells Fargo officials were not available for comment. But Citicorp, Chemical New York Corp. and Manufacturers Hanover Corp. said they had not placed Argentina's loans on a non-accrual basis.

JAPAN: GNP Rises at 11.3% Rate

(Continued from page 1) economy from January to March were consumer spending, which rose a record 2.6 percent from the previous period, and fixed private investment, which grew 3.6 percent.

Both figures were higher than most economists had expected. Housing starts, a key sector in Japan's shift away from export-led growth, expanded by 1 percent, following growth of 24 percent in the final three months of 1987.

The construction industry remained strong, economists said, since a high proportion of private investment went into plants rather than equipment.

The strongest components of the

Korean Refinery Buys Chinese Crude

SEOUL — A South Korean petroleum refinery has purchased crude oil directly from China for the first time, a refinery official said here Thursday.

Honam Oil Refinery Co. purchased 380,000 barrels of heavy crude oil from China, according to the official. He said the price was \$14.90 per barrel on a cost, insurance and freight basis.

The oil is to be shipped at the

end of this month directly from a Chinese port to South Korea, the official said.

He added that another local refinery, Kukdong, also planned to buy Chinese crude.

The Chinese petroleum is 50 cents less expensive per barrel than comparable Indonesian oil.

South Korea is said to be eager to improve its ties with China. The two countries do not have diplomatic relations.

Thursday's OTC Prices. MASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Large table of OTC prices with columns for stock symbols, prices, and changes. Includes various companies like AAW, ABC, ADI, etc.

Table of international stock prices and exchange rates. Includes columns for country, stock symbol, price, and change. Includes entries for Japan, Korea, and other international markets.

Table of international stock prices and exchange rates. Includes columns for country, stock symbol, price, and change. Includes entries for various international markets.

Table of international stock prices and exchange rates. Includes columns for country, stock symbol, price, and change. Includes entries for various international markets.

Thursday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

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British Gas Posts Flat Annual Profit

LONDON — British Gas PLC reported Thursday that its net profit edged up 1.6 percent to £286 million (\$146 million) in the 12 months ended March 31, its first full fiscal year since it was privatized by the government.

The utility, which dominates consumer and industrial gas supply in Britain, said the latest results pointed to underlying growth despite low gas prices and a mild winter.

The earnings, reported on a historic-cost basis, amounted to 19.7 pence a share against 19.3 pence in the previous year. British Gas, which was demutualized in December 1986, reported a net profit of £286 million in the year ended March 31, 1987.

On a replacement-cost basis, which factors out erratic movements in the value of fuel inventories, the company's net income edged marginally in the latest fiscal year to £569 million from £571 million.

Sales fell 3.2 percent, to £7.36 billion from £7.61 billion. But analysts said that income was above expectations, and that it would boost their profit forecasts for the utility's current fiscal year.

"They are very good numbers," said Chris Grudniewicz, of the stockbrokers Smith New Court L.C. "Despite the weather they have done very well."

The results buoyed shares in British Gas by 6 pence to 184.5 pence on the London Stock Exchange.

The earnings also reflected an adjustment for interest payments made by British Gas on a £2.5 billion government debenture that ended part of the privatization. He utility said the full-year effect of the debenture changed net interest

Airbus Reportedly Received Approval for East Bloc Sale

PARIS — Airbus Industrie has received approval to sell airliners to the East bloc, diplomatic sources said Thursday.

The aerospace consortium's main rival, Boeing Co., is still awaiting clearance from the Coordinating Committee for Mutual Export Control, which regulates strategic exports from the North Atlantic Treaty Organization and Japan to Soviet bloc countries.

The sources said the agency decided at a weekly meeting to allow Airbus to sell three of its A-310 medium-range jets to East Germany's Interflug airline, provided the planes are serviced in the West.

"The Japanese were the last to clear Airbus, but there are still a couple of countries asking questions about Boeing," one diplomat said. He said that approval of sales of Boeing 767 airliners to Poland and Romania was expected within two weeks.

The decision clears the way for the first sales of Western high-technology planes to the East. Both airlines carry sophisticated avionics that could be used in military planes.

The sources said that Lufthansa, the West German airline, would provide all servicing on Interflug's new Airbus to avoid the risk of sensitive technology being used for military ends.

GE to Buy Resins Unit Of Borg for \$2.3 Billion

NEW YORK — General Electric Co. has signed a definitive agreement to buy Borg-Warner Corp.'s chemical business for \$2.3 billion in cash, the companies announced Thursday.

The deal will swell the size of one of GE's fastest-growing businesses while helping Borg-Warner pay off the large debt it took on last year when it went private in a leveraged buyout to avoid a takeover by GAF Corp.

The Borg-Warner chemical business, headquartered in Parkersburg, West Virginia, had sales of \$1.25 billion in 1987. It is the worldwide leader in resins for a kind of plastic, ABS, that is widely used as a substitute for metal or glass.

"This acquisition is an important step in our worldwide materials strategy," Glen Hiner, senior vice president for GE Plastics, said in a news release.

GE said it expected the purchase to add about 5 cents a share to its profit in 1989 after all acquisition costs are paid.

For Borg-Warner, the sale, along with other asset sales, "moves us closer to eliminating our considerable debt burden and gives us the financial strength to continue to grow our other two world-class companies," said James F. Bere, Borg-Warner's chairman and chief executive.

Borg-Warner's other businesses are automotive components and information and protective services. The company went private last year in a leveraged buyout led by Merrill Lynch Capital Partners that was valued at more than \$4 billion. Merrill Lynch owns 51 percent of Borg-Warner's stock.

Borg-Warner is well on the way to achieving its goal of paying off all its debt by the end of 1988, a spokesman said. Among other asset sales, the company sold BWAC Inc., a finance unit, for \$782.5 million to Transamerica Inc., and Chilton Corp., its credit-reporting subsidiary, to TRW Inc. for \$360 million.

GE has been rapidly expanding its GE Plastics units, which expect sales of nearly \$3 billion this year. It invested \$325 million last year in a new polycarbonate plant in Burkville, Alabama, and will double the size of the plant by 1990 at a cost of \$315 million.

In May, GE Silicones announced an agreement to combine with Union Carbide Corp.'s silicones business to form GE Carbide Silicones Inc., a joint venture with annual sales of about \$750 million.

Borg-Warner's chemical specialty, ABS, which stands for acrylonitrile butadiene styrene, is a thermoplastic with strength and molding characteristics that make it popular for such uses as computer housings, helmets and car parts.

The transaction is subject to government approval and is expected to be completed by the end of 1988.

WATCH: Dow Chemical's New Mix

(Continued from first finance page) income, down 13 percentage points from the year before.

The company, based in Midland, Michigan, has moved much of its manufacturing overseas. That allows it to supply customers from whatever source is cheapest at a given time, taking into account transportation costs and exchange rates.

Dow now derives 55 percent of its revenue from overseas operations, which helps cushion it against a foreign-durrency profit while giving its foreign-currency profits a ride on the dollar.

"Our historical growth rate, from 1975 to 1987, was 9.5 percent," said Sara Opperman, a spokeswoman for Dow. "We expect that to rise to 10.5 percent for the next seven years."

Barring any major acquisitions and figuring an annual inflation rate of 5 percent, she said, Dow's annual revenue should reach \$30 billion by 1995, more than twice the \$13.4 billion posted in 1987.

Dow made its last acquisition in September, when it bought Lamaur Inc., a shampoo company, for \$174 million.

Ted Semagran, a senior vice president at Shearson Lehman Hutton, said he expected Dow's revenue to rise about 18 percent this year.

He said Dow had predicted only a 10 percent average price increase for its commodity chemicals. But the forecast was raised after the explosion last month of a Shell Oil Co. refinery in Louisiana, which hobbled a nearby ethylene plant.

Ethylene, a Dow staple, because the plant was producing at nearly 100 percent capacity before the explosion, ethylene is now in such short supply that prices have jumped enormously, Mr. Semagran said.

Mazda's Parent Profit More Than Doubles

TOKYO — Mazda Motor Corp. reported Thursday that its parent company had current profit of 10.78 billion yen (\$85.2 million) in the six months ended April 30, up 114 percent from the 5.03 billion reported in the comparable period last year.

Earnings per share rose to 4.61 yen from 1.66 yen. Sales increased 10 percent to 884.79 billion yen, and net income was up 179 percent to 4.44 billion yen. The company said it expected continued good domestic sales and success in overseas projects.

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KNOEDLER-MODARCO LTD. 1987 DIVIDEND

The Annual ordinary meeting of stockholders of KNOEDLER-MODARCO LTD. held on June 1, 1988 in New York, has decided to pay a dividend of US\$9. per common share of US\$100. per value on 1987 profits.

The dividend is payable at the Banque PARIBAS (SUISSE) S.A., 2, place de Hollande, 1204 Geneva, (and its branches in Basel, Lugano and Zurich) as from June 7, 1988 against remittance of coupon No. 1. Stockholders are reminded that shares of KNOEDLER-MODARCO S.A. may be exchanged on a one to one basis upon presentation of said shares at Banque PARIBAS (SUISSE) S.A. for receipt of new shares of KNOEDLER-MODARCO LTD. which is the successor of business of KNOEDLER-MODARCO S.A.

FIDELITY BALANCED PORTFOLIO

NOTICE OF GENERAL MEETING

A General Meeting of shareholders was scheduled for May 26, 1988, the agenda of which required, for one of its points, a quorum. As this quorum was not present or represented on that date, the meeting was adjourned with respect to the entire agenda.

Notice is hereby given that a second Annual General Shareholders Meeting of FIDELITY BALANCED PORTFOLIO, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 13, Boulevard de la Foire, Luxembourg, at 11:00 a.m. on July 15, 1988, with the following agenda:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Statutory Auditor;
3. Approval of the balance sheet and income statement for the fiscal year ended January 31, 1988;
4. Election of seven (7) Directors, specifically the reelection of the following seven (7) present Directors: Messrs. Edward C. Johnson Sr., William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M.S. Paston, H.F. van den Hoven and Compagnie Fiduciaire;
5. Election of the Statutory Auditor, specifically the election of Coopers & Lybrand, Luxembourg;
6. Declaration of dividends on the Fund's Class A and Class B shares in respect of the Fiscal Year ended January 31, 1988;
7. Proposal, recommended by the Board, to amend the provisions of Articles 7 and 8 of the Fund's Articles of Incorporation which presently provide that any owner of either or both Class A and Class B shares which constitute in the aggregate more than 3% of the number in the aggregate of shares of both classes of the Fund is authorized to issue, may be required by the Fund to redeem that excess amount. The Board recommends that the provisions be amended to permit the Fund to require any beneficial owner of either or both Class A and Class B shares which constitute at any time in the aggregate more than 3% of the aggregate outstanding shares of both classes to redeem the excess;
8. Consideration of such business as may properly come before the meeting.

The conduct of the shareholder's meeting shall be governed by the quorums required by law. Shareholders are advised that under Luxembourg law no minimum number of shares will be required to be present or represented in order for a quorum to be present at this meeting or for valid decisions to be taken on the items of the agenda. Resolutions to be proposed on Item 7 of the agenda will require the concurrence of two thirds of the total number of shares represented at the meeting. Subject to the limitations imposed by the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: June 9, 1988
By order of the Board of Directors

Rivals Gird for Unveiling of IBM's Midsize Computer Line

NEW YORK — International Business Machines Corp. is expected to launch a major new line of midsize computers next week, and its nearest rival is preparing for a long, hard fight for customers.

Digital Equipment Corp., the world's No. 2 computer manufacturer, said Wednesday it would make a response to an expected announcement Tuesday of a new IBM computer family. The skimming indicated the importance of IBM's addition to the vast midsize, the machines that fit in between personal computers and mainframes.

"It will be probably the broadest announcement that IBM has ever attempted," in terms of the number of customers who will be affected, said Robert Djurdjevic, the president of Amex Research Inc. in Phoenix, Arizona.

"The big news is that IBM is going to make the mid-range market exciting again, win or lose," said Donald Bellomy, an analyst for

Agnelli Unit to Buy Into Fireman's Fund

GREENWICH, Connecticut — Fireman's Fund Corp. said Thursday it would sell a block of stock worth \$300 million to Agnelli SA, a member of the Agnelli industrial group of Italy.

The sale of stock in the U.S. insurance company will mark a partnership change that has been expected since American Express Co., which was the major shareholder in Fireman's Fund, began in recent years to liquidate its holdings.

Fireman's Fund now has about 48.4 million shares outstanding following completion of repurchase programs, a spokeswoman said.

Fireman's Fund said it had reached an agreement with Intif limiting Intif's acquisition and disposal of Fireman's Fund securities for seven years. Intif has also agreed to vote its shares in accordance with recommendations of the Fireman's Fund's board.

The insurance company said the preferred shares being sold carry a 6.5 percent annual dividend yield for seven years and are convertible into common stock at \$42 each during the first five years; at \$44.73 during the sixth year; and at \$47.64 in the seventh.

Intif was founded in 1964 by Istituto Finanziario Industriale SPA, the Italy-based holding company of the Agnelli group and the controlling shareholder of Fiat SPA.

Fireman's Fund said that "over the last few months, we have taken a large block of stock out of the hands of a friendly long-term partner, American Express Co., who decided they wanted out, and placed essentially those shares in the hands of a new partner who wants to be with us for the next hundred years."

Employees own about 10 percent of Tèlemecanique's stock.

In a last-ditch effort to thwart Schneider, Tèlemecanique sought to put together an 8 billion franc management buyout, but unions rejected it, saying the deal would be ruinous and ineffective.

Employees own about 10 percent of Tèlemecanique's stock.

Earlier on Thursday, Finance Minister Pierre Bérégovoy of France appeared to be critical of the way the Bourse authorities oversaw the takeover bidding.

"A company is not simply a question of capital. There are also men and women who should be taken into consideration," he said.

Tèlemecanique's employees have vehemently opposed a takeover by Schneider, staging several protest demonstrations in Paris.

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SCHNEIDER: Offer Cleared

(Continued from first finance page) 24.7 percent of Tèlemecanique at the two-tier price offer.

Compagnie Générale refused to pay more than 4,500 francs per share.

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Floating-Rate Notes

June 16

Dollars	
Issuer/Note	Yield
1st Nat'l	7.25
2nd Nat'l	7.25
3rd Nat'l	7.25
4th Nat'l	7.25
5th Nat'l	7.25
6th Nat'l	7.25
7th Nat'l	7.25
8th Nat'l	7.25
9th Nat'l	7.25
10th Nat'l	7.25
11th Nat'l	7.25
12th Nat'l	7.25
13th Nat'l	7.25
14th Nat'l	7.25
15th Nat'l	7.25
16th Nat'l	7.25
17th Nat'l	7.25
18th Nat'l	7.25
19th Nat'l	7.25
20th Nat'l	7.25
21st Nat'l	7.25
22nd Nat'l	7.25
23rd Nat'l	7.25
24th Nat'l	7.25
25th Nat'l	7.25
26th Nat'l	7.25
27th Nat'l	7.25
28th Nat'l	7.25
29th Nat'l	7.25
30th Nat'l	7.25
31st Nat'l	7.25
32nd Nat'l	7.25
33rd Nat'l	7.25
34th Nat'l	7.25
35th Nat'l	7.25
36th Nat'l	7.25
37th Nat'l	7.25
38th Nat'l	7.25
39th Nat'l	7.25
40th Nat'l	7.25
41st Nat'l	7.25
42nd Nat'l	7.25
43rd Nat'l	7.25
44th Nat'l	7.25
45th Nat'l	7.25
46th Nat'l	7.25
47th Nat'l	7.25
48th Nat'l	7.25
49th Nat'l	7.25
50th Nat'l	7.25

Pounds Sterling

Pounds Sterling	
Issuer/Note	Yield
1st Nat'l	7.25
2nd Nat'l	7.25
3rd Nat'l	7.25
4th Nat'l	7.25
5th Nat'l	7.25
6th Nat'l	7.25
7th Nat'l	7.25
8th Nat'l	7.25
9th Nat'l	7.25
10th Nat'l	7.25
11th Nat'l	7.25
12th Nat'l	7.25
13th Nat'l	7.25
14th Nat'l	7.25
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23rd Nat'l	7.25
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28th Nat'l	7.25
29th Nat'l	7.25
30th Nat'l	7.25
31st Nat'l	7.25
32nd Nat'l	7.25
33rd Nat'l	7.25
34th Nat'l	7.25
35th Nat'l	7.25
36th Nat'l	7.25
37th Nat'l	7.25
38th Nat'l	7.25
39th Nat'l	7.25
40th Nat'l	7.25
41st Nat'l	7.25
42nd Nat'l	7.25
43rd Nat'l	7.25
44th Nat'l	7.25
45th Nat'l	7.25
46th Nat'l	7.25
47th Nat'l	7.25
48th Nat'l	7.25
49th Nat'l	7.25
50th Nat'l	7.25

Deutsche Marks

Deutsche Marks	
Issuer/Note	Yield
1st Nat'l	7.25
2nd Nat'l	7.25
3rd Nat'l	7.25
4th Nat'l	7.25
5th Nat'l	7.25
6th Nat'l	7.25
7th Nat'l	7.25
8th Nat'l	7.25
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10th Nat'l	7.25
11th Nat'l	7.25
12th Nat'l	7.25
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40th Nat'l	7.25
41st Nat'l	7.25
42nd Nat'l	7.25
43rd Nat'l	7.25
44th Nat'l	7.25
45th Nat'l	7.25
46th Nat'l	7.25
47th Nat'l	7.25
48th Nat'l	7.25
49th Nat'l	7.25
50th Nat'l	7.25

Japanese Yen

Japanese Yen	
Issuer/Note	Yield
1st Nat'l	7.25
2nd Nat'l	7.25
3rd Nat'l	7.25
4th Nat'l	7.25
5th Nat'l	7.25
6th Nat'l	7.25
7th Nat'l	7.25
8th Nat'l	7.25
9th Nat'l	7.25
10th Nat'l	7.25
11th Nat'l	7.25
12th Nat'l	7.25
13th Nat'l	7.25
14th Nat'l	7.25
15th Nat'l	7.25
16th Nat'l	7.25
17th Nat'l	7.25
18th Nat'l	7.25
19th Nat'l	7.25
20th Nat'l	7.25
21st Nat'l	7.25
22nd Nat'l	7.25

Wanton Street Violence Has Not Spoiled the Soccer as Valued Sport

International Herald Tribune
ONDON — Do not give up on this European Championship as a worthless sporting exercise trampled underfoot by boogymen.
 Soccer has been the excuse for the wanton street violence piped night after night into our sitting rooms via television. This premeditated criminal behavior, by English, Dutch and West Germans, properly shifts a sports page event to a page one, where it belongs, help matters.
 It will find it again. It demands governmental action. Britain's half-measures will not, while she allows her streets to go abroad, help matters.
 et focus inside the stadium and the values of international sport are there for all to see. Despite the isolated, isolated sports by Italy — otherwise one of the better teams and West Germany, this is, in the main, a champion-played to the spirit and letter of soccer laws.
 above all, because the Soviet players are showing their potential, we are reminded, at a time vital to East-West relationships, that men of differing ideologies can share a common framework.
 few days ago the Soviet Union beat the Netherlands in a manner suggesting a detachment, a coolness of nerve, a conviction that these are peculiar athletes unmoved by fears of fear or doubt. They had flown in barely 24

hours before the match, camped in the south of West Germany and emerged only to play and then retreat.
 How can we have glassnost with these people? How can we communicate?
 Sport will find a way. The second Soviet appearance, on Wednesday, was against the Republic of Ireland, everyone's rank outsider in this tournament. Ireland had already enjoyed the party of the week, celebrating Sunday's victory over neighboring England. The Irish had run to such dehydration that Chris Hughton and Tony Galvin, selected to give urine samples for dope tests, could not produce a drop for more than two hours. Surely the Soviet Union would dispose of Ireland?
 Surely not. The Irish hustled and chased. They displayed a flair that those who watch their players in English and Scottish leagues scarcely believed. How tamely human the Soviets were made to look, how reassuringly fallible. Their mood turned from complacency to surprise, to panic and, finally, to a spirited arousal that produced Oleg Protasov's tying goal and spared the blushes of men representing 270 million against Ireland's four million.
 Yes, we can have glassnost. The people of the Soviet Union — soccer players, at any rate — are just like you and me. They perform better on some days than others, they taste self-doubt and they have to grit their teeth to get out of trouble.



Irish goalie Pat Bonner. Sported underdogs.

I know of nothing outside sport that so publicly strips down the perceived differences between "us" and "them." That it happens with millions watching in on television, with a near carnival atmosphere among 45,298 inside the stadium in Hanover, needs to be remembered as much as the distant rumble of boogymen.
 In Group 1, where West Germany and Italy drew a tense, sometimes displeasing match, the home-team's boosters were unkind to their own players, booing before

the kickoff and hardly easing the insecurity that the young West German players must slowly overcome.
 Italy's customary technical artistry, cloaked by nervousism and brushed by callousness, should have beaten Germany and did not. The latter march produced an intriguing Latin affair in Frankfurt, where 51,790 people became passionate bordering on hysterical. But violence was not in the air, because these were soccer fans following the action, not yobs attracted to the "barrage."
 With the last group games due Friday and Saturday, only two things are clear: Denmark, with the oldest team and the best behaved fans, is out; England, exposed as an over-rated team and followed by elements no one will be sorry to lose, is also out.
 I cannot believe that the Danes, as low on morale as on physical staying power, will on Friday deny Italy the single point it needs for a semifinal berth. West Germany also will qualify if it is as much as ties Spain. The first question is: have the Germans gained any self-belief, any confidence in attack. Question two concerns two Spaniards.
 Michel was an inspiring midfielder against Denmark, a tired flop against Italy. Perhaps he was distracted in between by signing a new contract with Real Madrid that is worth \$500,000 a season for seven seasons. And Emilio Butragueña, Spain's title goal scorer, looks less predatory than a vulture should.

Come Saturday, England, found so lacking in guile and, to be fair, more than a little unfortunate in striking the goal posts, will give all it has to depart on a defiant note. Although outclassed by the Dutch, beaten by Ronald Koeman's creation and Marco van Basten's wonderful hat-trick, the English will put in every ounce of pride, and doubtless plenty of the aerial action the Soviet players found so uncomfortable against Ireland. The Soviet Union, however, needs only to draw to reach the semifinals. The last berth of which is reserved for either Ireland or the Netherlands.
 On paper, that is no contest. But paper form is tissue thin to the Irish, who begin Saturday's game in Gelsenkirchen with a one-point advantage. So, the Netherlands has no option but to win. It should do so because, in the heat of the afternoon, sheer class ought to triumph over running power. Yet Ireland has chased glorious uncertainties not just in Germany but in a run of 12 matches without defeat, during which it has won nine and conceded only three goals. It has done so with the spirit of the underdog, all to gain and nothing to lose, above all with the tenacity of men for whom this tournament is the chance of a lifetime.
 For most of Ireland's players, the odds of 33-to-1 against was as familiar as the rejection they have felt. It's a laugh, isn't it? A game. Have a go lads, they're only human, same as the Soviets, same as us.

Piston Rough Stuff Riles Lakers

Game 5 of NBA Final May Become 'Headhunting' Contest
 By Anthony Cotton
 Washington Post Service
 ONTARIO, Michigan — Judgment from the rumbustious emanating Tuesday from the Silverdome, National Basketball Association might be better off bringing ining officials rather than its usu-



Nicklaus practiced for his 32d consecutive U.S. Open, which break the record held by Arnold Palmer and Gene Sarazen.

U.S. Open May Accelerate Shift in Power

Gordon S. White Jr.
 New York Times Service
 NEW YORK — The eight-cot headline across the front page of the New York Times sports section on Sunday, Sept. 21, 1913, "Great British Golfers Defeat by Massachusetts Boy in National Open Tourney."
 Then that U.S. amateur, Francis Ouhan, upset the world's two leaders, Harry Vardon and Ted Peck, in the playoff for the U.S. title at the Country Club in Brookline, Massachusetts, it signified a shift in the power of the game on one side of the Atlantic to the other.
 From then on, U.S. golfers were selected and, after World War I moved into the position of eminence in the game. In recent years, however, European and other foreign golfers have had sufficient success to imagine a power away from the United States.
 The 88th U.S. Open, which this returns to the Country Club, strengthen the growing claim foreign golfers that they are as



Casey Candaele of the Expos stepped over Darren Daulton to complete a double play in Philadelphia, but three errors in the first helped the Phillies win, 6-2, on David Palmer's pitching Wednesday night.

got to get back to Eastern Conference basketball," said forward John Salley. "If we can make them realize every shot's going to be contested, it can do something to their confidence."
 The Los Angeles Lakers appeared to think that the Pistons had crossed the line between hard play and dirty, and some were talking about responding in kind on Thursday night.
 "I never doubted their reputation," said the Lakers' guard, Magic Johnson. "They'd done a few things in some of the other games, but in a back-to-the-wall situation they did more on Tuesday. They were trying to take us out, not let us shoot. And we backed off. What we have to do is come back like they did, we have to slam people and take them out."
 He and his friend, Isiah Thomas of the Pistons, engaged in several skirmishes, although both said afterward it was all part of the game.
 The Lakers' Michael Cooper, his teeth clenched and his muscles taut, looked as if he were ready to punch someone even before the team's practice began Wednesday.
 "You're never in a pleasant mood when you get your tail kicked and abused the way we were abused," he said curiously.
 The Lakers' coach, Pat Riley, said he was beyond anger and irritation, but added that he was "disgusted" by Tuesday's game.
 "We're a basketball team with basketball players; that's just how it is," he said. "The personality of some of our guys is to just play the game. Truly, truly great players are like that and they have to deal with all the abuse. Usually it's the soldiers who do that sort of thing. [Detroit forward] Adrian Dantley is a great, great player, but I saw him go headhunting twice, after James Worthy and Magic."
 Dantley said he was fuming hard but not trying to hurt anyone. A 6-foot-5-inch (1.95-meter) inside player, he has taken some physical punishment himself during the series. Wednesday, he shrugged off criticism and said that contact while going to the basket is a part of the game.
 "If you drive to the basket, certain players around the league are going to foul you hard," he said. "Everybody knows that. Tree [Rollins of the Atlanta Hawks] is like 'foul'; if you drive on Rick Mahorn he's going to foul you hard. [Bull] Laimbeer, depending on how he feels."
 Mahorn and Laimbeer, of course, are Dantley's teammates. Cooper is one of the few Lakers who falls into that category. Dantley said, but "he's light, only 170 pounds, so he's not going to hurt you. He can foul as hard as he wants; it's someone like Kurt Rambis that you have to worry about."
 The Pistons' coach, Chuck Daly, said he doesn't encourage physical play because that's a battle his underdogged players can't win.

Leibrandt 2-Hit A's, Royals Draw Nearer

Compiled by Our Staff From Dispatches
 OAKLAND, California — Charlie Leibrandt pitched a two-hit Wednesday night for a 2-0 victory over the Oakland Athletics and the strapping Kansas City Royals continued to close on the West Division leaders in the American League.
 The A's, who led by 1 1/2 games on June 4, have lost eight of their last 10, with five of those losses to the Royals, three by shutouts. The Royals have won 12 of their last 13 and now are 5 1/2 games back, having posted a team earned-run average of 1.32 over that stretch.
 "Our pitching staff has caught fire and the team is playing awfully well right now," said Leibrandt.
 "We have five good starters and good relievers," said George Brett, who drove in his 52d run this year with a double in the fifth.
 Leibrandt ended a three-game losing streak in pitching his second two-hitter in the major leagues. The left-hander walked one and struck out four.
 Bob Welch lost his third straight after winning seven in a row.
 "It wasn't a very exciting race when Oakland was 11 games ahead," Brett said. To which the Athletics' manager, Tony La Russa, retorted: "I'm sure the American League is happy we're losing, so they'll have a good race."
 Tigers 1, Orioles 0: In Detroit, Dave Bergman's sacrifice fly in the second inning, when the Tigers got one of their two hits off Baltimore starter Mike Boddicker, made a winner of Jeff Robinson. He hit his seventh straight with a five-hitter.
 Red Sox 8, Yankees 3: In Boston, Ellis Burks went four for five and hit his third grand slam in the majors, capping a five-run second against New York.
 Blue Jays 15, Indians 3: In Toronto, Fred McGriff and Cecil Fielder each hit two homers and Tony Fernandez went three for four with four RBI against Cleveland.
 Brewers 5, Mariners 1: In Milwaukee, Teddy Higuera held Scat-

COREBOARD

BASEBALL

Wednesday Line Scores

Team	Score
American League	
Red Sox	8-3
Yankees	3-8
Tigers	1-0
Orioles	0-1
Blue Jays	15-3
Indians	3-15
Mariners	1-5
Brewers	5-1
Padres	3-0
Phillies	2-6
Pirates	2-0
Braves	2-0
Cardinals	2-0
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Yale's Barefoot Boy

By Russell Baker
NEW YORK — George Bush ought to be as electable as the next man in this year of the indifferent electorate...

Ionesco and Useless Necessity

By Mervyn Rothstein
NEW YORK — Eugene Ionesco was listing his compatriots in the Theater of the Absurd: Beckett, Genet, Adamov, Shakespeare...



Ionesco: Shakespeare got there first.

sands of years," he said. "There's no reason for this in change."
But why do they need theater?
"For nothing," he said. "The theater is useless, but its uselessness is indispensable."

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